Analyzing Newcomers in Stocks (Page 16)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 19, 1936 | 10c a Copy; $5.00 a Year | No. 38

The Nation's Business

Alberta's Challenge To Canadian Democracy

Ottawa Should Protect Liberties

Montreal's Crisis In Civic Finance

Canada's Sorry Railway Record

Alberta Laws Should Be Voided

IN SOME quarters an idea prevails, which must be rejected as totally unsound, with reference to the legislation recently passed in Alberta. It is to the effect that the Government there should be allowed to run its own mad course until it gets into such difficulties that it will be wrecked; that when it has done enough harm to Alberta, Albertans will know how to dispose of it.

But the clear duty of the Dominion Government to disallow certain of the legislation recently passed cannot be evaded by giving Aberhart enough rope to hang himself. If the Dominion Government found unauthorized persons taking up their quarters in the Royal Mint, or installing themselves in the Department of National Defence, or undertaking to operate the gates on some government canals, it would have to turn them out. It would not do to say that they would probably burn their fingers in a pot of gold, or shoot themselves with advertent handling of arms, or drown themselves in a canal if left alone. The Dominion Government could retain neither its own self respect nor the respect of others if it allowed them to stay there.

Unauthorized persons, the Government and the Province of Alberta, have improperly invaded the Dominion Government's fields of banking, of currency, and of regulation of interest. However sure the Dominion Government may be that they will come to grief if left to their own devices it must turn them out, and that regardless of the consequences, if it is to maintain itself in respect and in authority.

* * *

CANADIANS who do business in Alberta or who live in that province have undertaken some risks of mis-government in that province, and from some necessary risks they can be given no protection. But such risks are after all limited, for the law and the constitution of the country clearly set bounds to the extent of mischief which might be done. In the first place the sphere in which the Provincial Government might act at all is definitely circumscribed by law. In the second place a safeguard is provided against intolerable action even within that sphere by the right of the Dominion Government to disallow any legislation of the province. People have a right to look to the Dominion Government for the protection thus afforded.

The duty of the Dominion Government is a double one. There is a duty to itself, to keep its territory as well as its soil inviolate from invasion. Secondly, there is the duty to its citizens, to keep them from oppression whether that oppression is exercised by criminals knowingly acting contrary to the law, or by persons who in folly and in ignorance attempt to bend the law to suit their will.

The consequences of disallowing Alberta legislation might be serious. A strain might be imposed upon Confederation. A resort to violence might be imagined. It might be necessary to allow Alberta to leave the Dominion of Canada, or on the other hand it might be necessary to disestablish the province by the same means by which it was created, that is Dominion legislation. However, as a matter of practical politics none of them are likely to happen.

There is far more danger of serious consequences, a far greater strain on the social and political fabric of the country to be feared, if the Dominion Government refuses to take the course charted for it alike by duty, by self respect and by common sense—that of disallowing Alberta's preposterous laws.

* * *

Moral Decay In Alberta

PREMIER ABERHART'S threat this week to "license" the press is no Sunday school message from a kindly, genially corpulent father of his flock. It is a menacing fist shaken in the faces of the Canadian people. It provides immediate and striking corroboration for the statement made in these columns last week: that the Social Credit movement in Alberta has become merely the disguise for a much more sinister and dangerous Left Wing attack upon the liberties of the Canadian people. What Alberta is witnessing is reckless and subversive radicalism.

Possibly Mr. Aberhart himself does not realize the significance of his threat. Generals seldom beat the drums. Drummer boys, no matter how loud a noise they beat, do not always know where they are being led.

While the people of Alberta are being mesmerized with fanciful

(Continued on page 2, col. 3)

Gypsum, Lime Net Income Moves Ahead

Full Year's Return Likely to Show Healthy Gain

ACTIVITY IN STOCK

From Our Own Correspondent

MONTREAL.—Gypsum, Lime and Alabastine, Canada, earnings up to the end of last June are understood to have resulted in a net profit after all charges, but before depreciation, of nearly $100,000, whereas in the corresponding period of the previous year there was a small deficit on the same basis.

Sales and earnings during the closing months of the fiscal year, which ends November 30, are usually appreciably greater than in the earlier months. A continuation of the increased volume of business experienced to date, therefore, is expected to result in higher earnings than in 1935, when the company had a deficit of $47,812 after providing for all charges, including depreciation.

Demand for Products

Demand for the company's products, indicated by the corporate title, was only fair last year, due to the continued depressed conditions in the building industry. Owing to delay in construction of several large buildings, a certain volume of business expected in 1935 did not materialize until this year. Moreover there has been an increase in residential and other types of building, with the result that sales to date have been more encouraging than for some time past. While no figures are available on the volume of sales, a report for the first 5 months indicated an increase of 25% over the same period in 1934-35.

Heavy Trade in Stock

In the last 2 weeks there has been a marked display of interest in Gypsum, Lime's common stock, the market value reaching as high as $11 on a very heavy turnover. The activity has given rise to a number of rumors, one to the effect that the U. S. Gypsum Co. was negotiating to acquire control. This report is denied officially.

Gypsum, Lime also is reported to be considering a sale of its associated English company, Gyproc Products, Ltd. This unit was formed in 1933 to manufacture the company's products for distribution in Great Britain. The company holds a 40% interest in Gyproc, the controlling interest being held by a subsidiary of Distillers Co., of Edinburgh. This plant has been operating to capacity and profitably, but to date has paid no dividends. While the sale of the company's interest in Gyproc Products has been discussed by the executive, it is understood that no decision has been reached.

May Produce Rockwool

Another development in connection with Gypsum, Lime, as yet unconfirmed, is that the company will manufacture rockwool. To this end it is said to have expanded and improved its plant at Caledonia, Ont.

The recent heavy buying of Gypsum stock is widely attributed to the announcement policy of the Dominion Government to advance loans for the construction of low cost homes and for rebuilding and renovation work. The institution of such a programme on a broad scale should result in a material increase in the sale of the company's products which are extensively used in renovating and modernizing work.

Finances Are Improving

Both the financial position and earnings of Gypsum, Lime have been improving. Last year earnings available for bond interest and depreciation totalled $368,271; the largest reported since 1931. Financial reports, covering the same period, show the elimination of bank loans and the rebuilding of working capital from $594,001 to $660,117. The improvement in the latter has been reflected largely in an increase of cash on hand.

When earnings fell off to $96,453 in 1932, the company found it necessary to defer payment of sinking fund on its bonds in order to maintain working capital. Thus payments due on March 1 from 1933 to 1936 have been omitted. The sinking fund calls for an annual payment of 2½% of all bonds issued, plus interest on bonds redeemed.

F.N. Burt Company Forms U.S. Firm

Latter Will Hold United States Assets of Paper Box Concern

F. N. Burt Co., Ltd., proposes to transfer its United States assets to F. N. Burt Co., Inc., a new company formed with a Delaware charter. All the stock will be held by the Canadian company if shareholders agree to the plan at a meeting called for September 25.

International Hydro Pays Bond Interest

International Hydro-Electric System announces interest due Oct. 1 will be paid on its 6% debentures due 1944.

Interest amounts to $797,040, and the company's cash on hand at Aug. 31 is reported at slightly over $2.4 millions.

PAYS INITIAL DIVIDEND

Brantford Cordage Co. board has declared the initial dividend of 32½ cents a share on the 40,000 shares of new first preferred shares stock of $15 par and paying $1.20 a share yearly. The dividends are payable October 15, 1936, to shareholders of record September 19, 1936.

Alberta's Brand of Social Credit Is Thin Disguise for Communism

Mysterious "Yellow Book" Reveals Communistic State Ultimate Objective in Alberta

ABERHART NO LONGER BOSS

Social Credit in Alberta is not a Santa Claus but a Frankenstein.

Swept into power on a Social Credit platform and hailed as the "savior of Alberta," it now appears that Premier William Aberhart no longer occupies the driving seat of his party and that there is under way in Alberta an effort at social revolution which may thrust Canada into a major economic and financial crisis.

Conceived as a Utopian economic system where everyone would have plenty and be free of debt and as a system which would restore Alberta's credit in the money markets of the world, indications are that unless it is curbed the movement will bring economic disaster to the province, and possibly to the entire Dominion.

Debt adjustment legislation placed on the Alberta statute books at the recent special session of the Legislature is the most radical ever passed by a government in Canada. Wiping out of all interest on debts contracted prior to 1932, reducing these debts by the amount paid since 1932 whether on principal or interest and fixing the maximum rate collectible on future debts and on debts contracted since July 1, 1932, at 5%, is an unprecedented attack upon private capital in Canada.

Affects All Using Credit

Unlike other debt adjustment legislation in Canada, the act applies not only to mortgages but to all kinds of private debts. It governs mortgage loans, bank loans, insurance policy borrowings and commercial paper. It affects life insurance companies, banks, trust and loan companies, the automobile and farm implement manufacturers, and all others selling goods on credit in Alberta and extending credit on interest.

The trend in Alberta is without doubt toward something far afield from the establishment of Social Credit as described in Premier Aberhart's Social Credit manual. It is in fact a social and economic revolution more commonly known as Communism. Recent debt legislation is akin to confiscation of private property. It strikes at the very root of commerce, business and finance in a way which characterized the early stages of the Russian revolution. One financier, who has followed the situation more closely than most, suggested to The Financial Post that confiscation of property, wiping out of all debts to outsiders, and the establishment within Alberta of a new economic state, whether within or without Confederation, is actually within the realm of possibility.

This week Premier Aberhart shook a menacing fist at press freedom, further emphasizing the trend to political dictatorship in Alberta.

In an article in its issue of Sept. 14 last year, The Financial Post warned its readers that in some aspects Social Credit was Communistic. At that time it was suggested that Mr. Aberhart was unconsciously headed in that direction. The ultimate aim of the Government as directed by recent acts now appears to be a socialized state, and this objective seems to have been carefully planned.

"Yellow Book" Found

The Financial Post has secured a copy of what is believed to be Premier Aberhart's first pamphlet, the celebrated "Yellow Book." Copies of this book are few in number and are closely guarded. Widespread distribution is not wanted, the reason for which is obvious on reading. It definitely preaches the doctrine of Communism and it is certain that the people of Alberta would not consciously subscribe to such a tenet.

In some circles it is suggested that Mr. Aberhart, realizing that Communism would not meet with popular approval, adjusted his plan to meet the needs of the occasion.

Describing the system introduced the pamphlet says in part:

> "All citizens having money in the banks, trust companies, etc., should purchase Government bonds bearing 4% interest, payable in credit and maturing at such time as the citizen desires.
>
> "With the money thus obtained, the Government will at once proceed to liquidate all provincial debts outstanding. If these debts are held by outsiders who will not accept payment in advance, the Government may purchase bonds of other provinces or of the Dominion, maturing at the same time as theirs. If there is any balance after the settlement of debts, it may be used to adjust foreign trade balances or for use of our citizens when travelling.

Would Seize Insurance

> "If the money is inadequate to meet present indebtedness, the citizens may be called upon to transfer the cash surrender values on life insurance policies and other documents that would produce money, for provincial bonds as above. As every citizen receives from the province in basic dividends enough to provide for food, clothing and shelter, life insurance is a useless expense. Greater protection could be assured the individual in the form of Government bonds maturing when desired.
>
> "Owners of real estate, industrial plants, stores, etc., may transfer the same to the Government for bonds as above if they so desire, the price to be set by arbitration, or should the owner wish it, he may continue to handle the property individually and transfer it to his heirs or to the Government at death.
>
> "In the case of mortgages on farms, private homes, etc., the Government may take over the same and ask the individual to make his payments in credit to the province.
>
> "By this and other similar means our provincial and individual debts could be intelligently handled and ultimately entirely eliminated."

Deny Confiscation

The possibility of such confiscation as outlined above is denied by the Social Credit Manual. In view of recent legislation, however, many believe that the so-called "Yellow Book" is a truer description of the objectives of the Social Credit party. Furthermore, contradictory statements from the mouth of Premier Aberhart are nothing new. There has been a flood of them since he first commenced propounding social credit theories.

The driving force behind the recent revolutionary tendency of the Social Credit party is Hon. J. L. P. Maynard, minister without portfolio, who is a youthful and radical lawyer of French-Canadian birth. While Mr. Aberhart sits on the "driver's seat," he no longer holds the "reins," those in close touch with the situation claim. As indicated by The Financial Post at the time of the Alberta bond default, there is a strong group of radical back-benchers, who are nominally Douglasites but actually desperate opponents of the existing social order, and opposed to Aberhart. Indications are that this group, headed by Mr. Maynard, are now in control. There is some ground for the belief that this group aroused to reckless action by Mr. Maynard stampeded the Government into adoption of the debt settlement legislation.

It is known that as a result of representations made by eastern financial interests the Government was prepared to bring in an amend-

(Continued on page 5)

Legislation in Alberta Confusion of Illegality

Laws passed by the Aberhart government during its thirteen months of office are unlike any measures ever previously passed in Canada. They directly affect businessmen and investors in every part of this country.

In this article, George H. Steer, K.C., a leading Edmonton lawyer, details the acts that have been passed and interprets their meaning.

Following the elections of August 1935, which swept Mr. Aberhart's Social Credit party into power in Alberta, legislation of the first session of the new legislature, was of more or less orthodox pattern save for the fact that there appears throughout it a tendency to the regimentation and control of business to an extent which has hitherto been regarded as unhealthy in an economy based on individualism.

Reference may be made to the Trade and Industry Act, 1934, as amended, the Act respecting the registration and licensing of trades and business, The Tradesmen's Qualification Act, and The Fuel Oil Licensing Act.

Control of Business

Based upon these Acts the Government has established a code of fair prices, proposes to set up a Price Spreads Board and takes control of all classes of business which control it retains by the threat of refusing licenses. Under the Tradesmen's Qualification Act persons following the trade of mechanics engaged about radio, internal combustion engines, automobile engines, steam engines and boilers, refrigerators, electrician, plumber, steamfitter, acetylene and electric welding, must take examinations, obtain certificates of proficiency and be licensed as a condition of following those trades.

The financial policy of the Government throughout the early months of its existence was entirely orthodox leading to a considerable increase in taxation without any extraordinary increase in expenditure.

Social Credit Act

The only legislation of an unusual character, if we exclude a statute providing for the recall of members of the legislative assembly which imposed conditions for recall difficult, if not impossible, of fulfillment, was the Social Credit Measures Act.

This Act is not long and its importance so great that it is quoted in full:

> "1. This Act may be cited as 'The Social Credit Measures Act.'
>
> "2. It is hereby declared that the people of the province are entitled to the full benefit of the increment arising from their association.
>
> "3. The Lieutenant-Governor-in-Council is authorized to appoint such persons as are considered fit and proper,—
>
> "(a) to examine into, consider, investigate and formulate proposals having for their object the increase of the purchasing power of the consumer by means of social dividends, compensating discounts or by any other means and the payment to the producer of any commodity of a just price and the allowance to any dealer in a commodity of a fair commission on turnover, and for such purposes to ascertain all necessary facts relating thereto, and to report to the Lieutenant-Governor-in-Council as to the feasibility of applying any such proposal or any modification thereof having regard to the economic circumstances of the province and of the various businesses, industries, trades and vocations of the people of the province;
>
> "(b) to enquire into and to investigate the prevailing circumstances and conditions of all or any specified businesses, industries, trades and vocations and to ascertain whether, and if so to what extent any of such circumstances and conditions, or either of them operate to the disadvantage or detriment of the province as a whole or to any class or category of persons in the province, and to report thereon to the Lieutenant-Governor-in-Council.

Powers of Council

> "4. Any persons appointed pursuant to this Act shall be appointed upon such terms and conditions, at such remuneration and subject to such regulations as may be prescribed by the Lieutenant-Governor-in-Council.
>
> "5. The Lieutenant-Governor-in-Council may confer upon any person so appointed, either by the Order-in-Council whereby he is appointed or by a subsequent order, the same power to compel the attendance of witnesses and the production of documents as may be conferred upon a commissioner appointed pursuant to The Public Enquiries Act.
>
> "6. For the purpose of making any enquiry authorized by this Act, every person appointed pursuant to this Act for the purpose of making any such enquiry shall be entitled to examine upon oath such persons as he may in his discretion think proper.

Equation Mentioned

> "7. The Lieutenant-Governor-in-Council is hereby authorized and empowered to adopt and to put into operation any measures designed to facilitate the exchange of goods and services or any proposal which is calculated to bring about the equation of consumption to production and thus ensure to the people of the province the full benefit of the increment arising from their association.
>
> "8. No provision of this Act shall be so construed as to authorize the doing of any act or thing which is not within the legislative competence of the Legislative Assembly.
>
> "9. This Act shall come into force on the day upon which it is assented to."

Mistaken Relief

The 1936 session of the Legislature ended, and those citizens of the province who could not convince themselves of the possibility of any real benefit coming from the putting into practice of Social Credit theories were inclined to breathe freely again thinking that not a great deal of harm had been done. The view was quite freely expressed that no steps would be taken by the Government to implement its promises as to Social Credit dividends.

It was not long, however, before it became clear that the Government had decided upon a policy which would at least be an attempt to carry out their election promises. The first step was the passing of an order-in-council respecting the bonded indebtedness and government savings certificates of the province. At the first session an Act had been passed called "The Provincial Loans Refunding Act" empowering the Lieutenant-Governor-in-Council to enter into agreements with the Federal Government providing for the guarantee by Canada of provincial indebtedness and of provincial securities. It set out the terms upon which such guarantees were to be given.

Terms of Act

The Act empowers the Lieutenant-Governor-in-Council to create and issue perpetual stock bearing interest half-yearly at such rate as might be fixed by order-in-council. This was for the purpose of retiring and refunding provincial securities, for the purpose of raising sums required for paying off the holders of securi-

(Continued on page 20)

HOUSING EXPERT

David Shepherd, vice-president of Campbell & Shepherd, consulting engineers, Toronto, who has been named housing advisor to the National Employment Commission in connection with the Commission's plans to extend and foster building and modernization work throughout Canada.

On October 10, Mr. Shepherd will leave for England to make a thorough survey of British building activity for the guidance of the Commission.

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U.S. Investors Buying Stocks Cool to Bonds

Retain Holdings But More Interested in Equities

INTEREST IN MINES

By C. W. STOLLERY

NEW YORK.—Interest of American private and corporate investors in new purchases of Canadian securities is directed chiefly toward equities, including mining shares, at present.

Although there is no longer the keen interest in buying Canadian bonds that there once was in the New York market, American investors are apparently retaining their holdings, even in cases where they could be sold profitably.

There are several reasons for the decline in interest in new purchases of Canadian bonds. Among them are these:

1. Numerous Canadian bonds which carried optional payment in U. S. funds have been refinanced with bonds payable only in Canadian dollars.
2. Strength of Canadian bond markets has carried prices up to levels at which yields are little if any higher than are obtainable on satisfactory U. S. securities.
3. Ontario's repudiation of Hydro contracts, the default on Alberta bonds, and other disturbances in provincial and municipal finance in Canada have frightened money away from bonds of many minor Canadian governments.
4. Regulations of the U. S. Securities and Exchange Commission have made it more difficult for dealers to distribute Canadian securities in the United States.

Examples of Policies

As examples of investment policy, two of the largest American life assurance companies in buying Canadian securities have confined themselves almost entirely to Dominion government issues. The chief reasons for abstention from buying provincial and municipal securities are repudiatory acts of such governments in Canada.

Other large investors will purchase market offerings of eastern provincial bonds. There is little or no demand for western provincials, and this is attributed largely to the agitation for interest reductions in western cities like Vancouver and to the Alberta repudiations.

Awkward Regulations

Regulations of the SEC make for difficulties in dealing with Canadian bonds which are not registered in the American market. For instance, when a new loan is offered in Canada without U. S. registration, dealers in New York cannot even take voluntary orders for bonds until after a market has been established.

There were some enquiries for the new 3% perpetual bonds sold in Canada by the Dominion Government last week, but orders could not be filled. After a market developed for the bonds, voluntary orders could be filled, but by that time the opportunity for the dealer to make a substantial commission had been lost. Finally, the dealer cannot offer to his clients a new bond issue which has not been registered with the SEC, until after a year has expired.

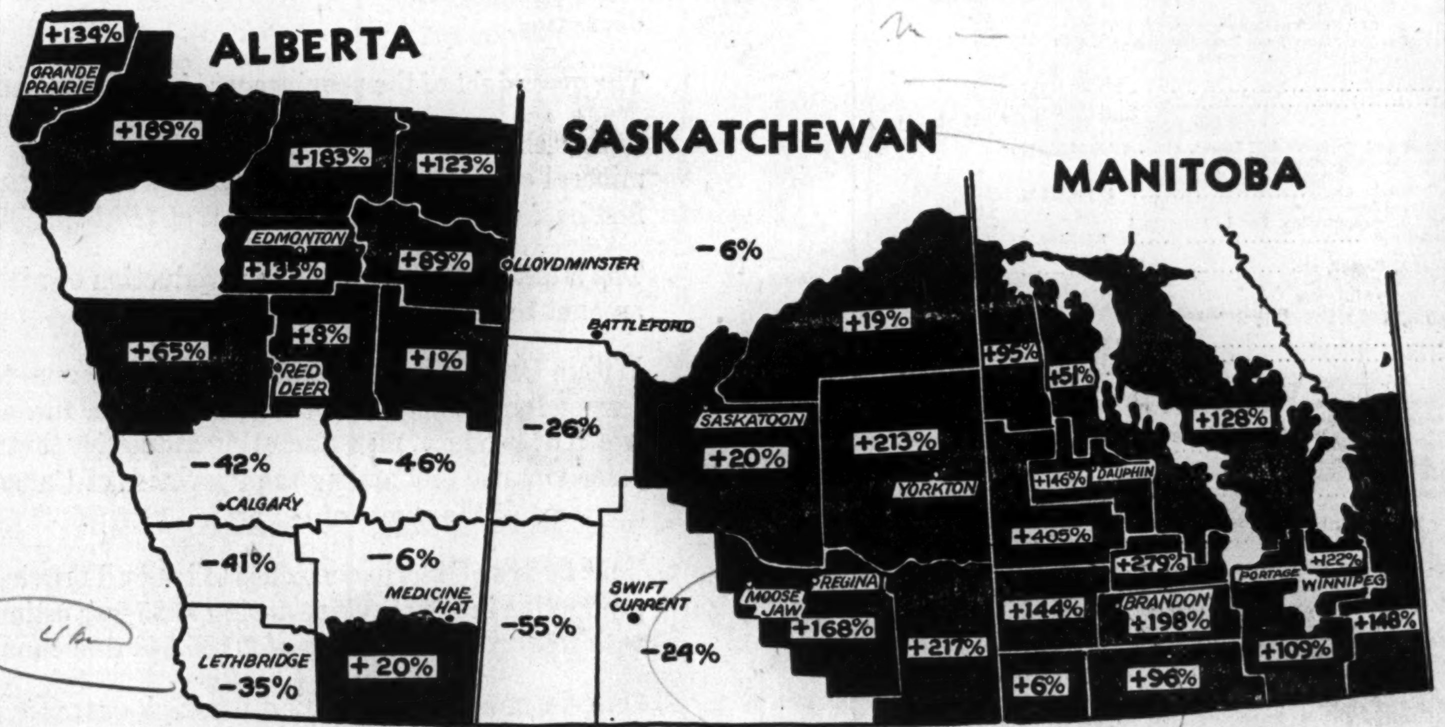
Views on Golds

There has been an inclination among U. S. investment trusts to dispose of shares of major Canadian gold mines, chiefly because they have reaped huge profits. There is also some feeling that the cream is off the market for senior gold shares because the beneficial effects of $35 gold have been discounted.

On the other hand, a few of the large private interests that have reaped fortunes from the gold boom are hanging on to their shares. One firm that has made large book profits on Homestake and in Canadian senior golds is said to have continued buying such stocks.

Reports of the Dominion Bureau of Statistics are confirmation of the diminution of American buying of Canadian securities. However, there has been no heavy return of investments to Canada. The explanation common among American investment men is that despite the fears aroused by credit disturbances in Canada there is just as much apprehension in the United States over their own affairs, particularly the huge government deficits. This is reflected in an almost total absence of concern for the strength of the Canadian dollar.

Sask. and Manitoba Buying Power Up 16 P.C.



Higher prices and sharply improved quality have boosted the probable return from the 1936 prairie wheat crop by $24 millions or 16% according to a special survey made by The Financial Post this week.

Areas shown in white are those where lower buying power is anticipated. The percentage figures in each case indicate the estimated change compared with 1935 and are based on a recent bulletin of Sanford Evans Statistical Service, Winnipeg. Values of the 1936 crop are calculated from prices and grading to date.

From Our Own Correspondent

WINNIPEG.—The wheat crop, Western Canada's chief source of cash income, will be worth $24 millions more than the larger crop of 1935 if prices and grading to date are representative of the balance of the season.

Accepting the first official estimate of 216 million bushels for the Prairie Provinces as being close to the actual outturn, a comparison is given below by provinces of the bushelage and value in 1936 and 1935:

	1936 crop		1935 crop		% Incr.
	Bushels	$	Bushels	$	in Value
Manitoba	30,800,000	26,950,000	25,740,000	14,389,000	87
Saskatchewan	117,000,000	97,812,000	146,027,000	85,864,000	14
Alberta	68,200,000	55,719,000	100,336,000	55,887,000	..
Total for Prairies	216,000,000	180,481,000	272,103,000	156,140,000	16

The added value is due (1) to a generally higher level of prices—at the time of writing (Sept. 12) No. 1 Northern wheat at Winnipeg stood 11 3/8 cents above the corresponding date in 1935 and the margin had been wider earlier in the present marketing season.

(2) to the excellent quality in the new wheat; out of 21,868 cars inspected up to September 10, only 53 had been placed in grades Nos. 5 and 6 and feed and only 29 in the special category, whereas in 1935 some 19% of the crop graded Nos. 5 and 6 and feed, 7% special, and an additional 5% tough and damp.

(3) to very narrow spreads between the leading grades, brought about by demand for relatively scarce grades below 2 Northern, and the high protein content of these lower grades.

Prices and quality factors may change as the season advances and these estimates adjusted accordingly, but the government guarantee of 87½ cents per bushel for No. 1 Northern, basis Fort William, ensures a minimum total value in excess of 1935 and, of course, if the future trend of prices is upward the increase in value may be understated.

Besides assuring the farmer maximum yields and quality out of his fields, and at a minimum cost of reaping, the early and favorable harvest season has enabled him to get his grain into elevators far ahead of any year on record. Up to Sept. 10, almost 75 million bushels of wheat had been delivered at country stations, as against only 39 million bushels in the corresponding period of 1935.

In terms of dollars available now to pay debts or to buy goods, this

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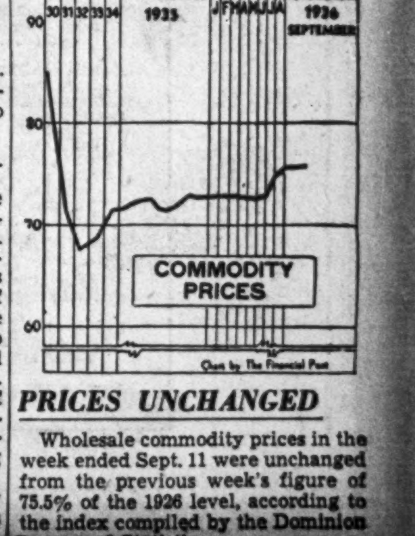

PRICES UNCHANGED

Wholesale commodity prices in the week ended Sept. 11 were unchanged from the previous week's figure of 75.5% of the 1926 level, according to the index compiled by the Dominion Bureau of Statistics.

MEN'S SHOP

FALL NOTES IN ACCESSORIES

From the

MEN'S SHOP

Patterns for Fall are featured in the Men's Shop's distinctive range of fine shirts and ties. Illustrated at the left above, is a collar-attached shirt of fine-count cotton broadcloth at $3.00, worn with a $2.00 real silk Foulard tie. At the right, an English cotton broadcloth shirt with two separate tab collars, or if desired, this shirt may be obtained with two starched collars, one square cut, and one slightly rounded. $4.00. The centre tie is a real silk Foulard in Paisley pattern at $2.00, and below it to the right, an English knitted real silk tie at $3.00. Shirt sizes 14 to 17.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

Y.W.C.A. of Halifax Offers Mortgage Bonds

From Our Own Correspondent

MONTREAL.—Irving Brennan & Co., Maritime investment dealers, are making a public offering of 4% first (closed) mortgage bonds of the Young Women's Christian Association of Halifax. The bonds, which are offered at par and accrued interest, mature September 2, 1948. The circular states there are assets amounting to over $3,000 back of each $1,000 bond, which is a legal investment for trust funds in Nova Scotia.

The Nation's Business

(Continued from page 1)

tales of free dividends and "prosperity" money, their Government (which a bare majority of them put into power at a time of desperation when sex scandals rocked their former Government and other opposition groups were divided) is passing and planning the measures that will deprive them of their liberties. These measures will do much more; they will destroy their capital, control their thought and speech and attempt in the province the establishment of a class dictatorship.

* * *

LONG concealed, the menace is beginning to emerge into the open now. Mr. Aberhart's threat to control the press unveils much. It reveals that money magic in Alberta is merely a cover for class warfare; for an assault upon the people's precious inheritance of economic freedom and self-reliance, For this inheritance generations of British people have fought and often died.

Control of the press is the first weapon of every dictatorship. No people would ever stand for any dictatorship unless it controlled what they thought and said. Such control can be exercized by censoring the newspapers, by filling them with propaganda (there are already 2 daily papers under Aberhart domination in Alberta); by embarrassing honest publishers through statutes and decrees of a persecutory nature (which Mr. Aberhart seems to have in mind); by feeding school children on propaganda (as is already done in Alberta).

* * *

CONTROL of the press is only the first step in political tyranny. Then follows control of the church; control of the people's economic activities; and finally abandonment of representative government. The whole familiar formula of disintegration has been followed in country after country since the war.

If Albertans, so close to their own picture, cannot see what is implied in their complacent acceptance of, and even enthusiastic acclaim for, Aberhartian tyranny then the people of the rest of Canada must recognize the situation. It must make it clear that this country is not willing to let any one province jettison freedom of speech and representative government. To do so would put in jeopardy the whole democratic system in Canada.

Let no one assume that Mr. Aberhart is incapable of decreeing so corrupt and menacing a measure as controlling the press. The absolute disregard of moral right, implicit in the legislation passed at the recent session of the Legislature, makes anything possible in that province.

* * *

Montreal's Crisis and the Way Out

THE fact that Canada's largest city is on the verge of insolvency ought to lead to some examination of the cause of its troubles. A special article in this issue surveys the Montreal picture and indicates how political extravagance and incompetence have produced the present crisis.

A proposal that the huge debt of Montreal should be forcibly converted to a lower interest rate has fortunately fallen on barren ground. Provincial authorities are showing that they consider a deserved interest rate reduction to be the only one worth having. Montreal can make its credit what it will. If it cuts its expenses and capital expenditures confidence in its credit position will come back.

There is a proposal that Quebec Province should guarantee Montreal's debt. The trouble with that plan is that Montreal's budget is larger than the province's. Both draw their major taxes from the same area. In the end the province would manage municipal as well as provincial affairs. For its own protection it is now obliged to exercise some oversight over municipal transactions through the Department of Municipal Affairs and the Municipal Commission. But Montreal always seems to be able to get special favors in the extension of its borrowing powers.

* * *

A GROUP of outstanding experts were employed by the city in 1934 to examine into the city's situation, its taxes and to propose new sources. They estimated the annual deficit to be budgeted for at $ 7 millions and suggested it should be obtained both by new taxes and by certain savings.

The committee made its report "with extreme reluctance" and made it plain that its suggested new taxes should be considered only as "the best devices to meet a grave emergency due to years of unsound financial and administrative policies." Only a drastic recasting of the whole financial policy could provide a permanent solution. A tremendous effort would be necessary to bring about a balanced budget, they said and added:

> "It must be quite evident that it is a most extraordinary condition that would suggest a budget which would require in a single year an increase approaching 25% in the current revenues . . .
>
> "It would be nothing short of inconceivable negligence if the city were permitted to drift further without taking effective steps to bring about a balanced budget."

Although the committee was limited to finding new sources of revenue or increased revenues from existing sources, they added:

> "The trouble is much deeper than insufficient revenues and there needs to be a thorough reorganization of methods of administration. . . . The whole debt structure should be examined and a capital debt policy for at least the next 20 years set up."

* * *

ALL this is as sound today as the day it was written. Even after its extensive survey The Financial Post finds nothing vital to add to it.

The measures taken have not been based on that report. A strong administrative head, a municipal civic service under competent control, and a department and Legislature at Quebec able to say "No" as if they meant it to further proposals for increasing the debt—these are the great needs of Montreal.

* * *

Canada's Sorry Railway Record

THE London Times compares the results of operation of nationally owned railways throughout the Empire. The figures reflect no credit upon Canada, whose railway losses have been the largest of all.

In Australia the federal and state railways have shown an aggregate loss of $225 millions in the past 12 years after interest charges. But last year they earned 3.54% on the amount invested in them.

In New Zealand, the record has been less happy, although 2.01% was earned on the invested capital last year.

South Africa has the best record of all. The railways there, with their subsidiary enterprises, earned over 6% last year on the investment in them.

Canada's figures, by comparison, make sorry reading. Last year a new peak was reached when the deficit figure exceeded $115 millions. Says The Times of Canada's record:

> "All that nationalization has proved is that it is not a cure for the problems of economic working but that the burdens of the industry can be shifted to the shoulders of the taxpayer."

* * *

COMMENTING on the general effects of nationalization whereever tried The Times points out that, from the investor's point of view, the advantage of nationalization is that his income is assured since, if the railways fail for any reason—high wages, strikes or trade depression—to earn the necessary net revenue, the taxpayer is called upon to make up the difference. Otherwise, default would occur and the credit of the State be damaged.

This is small comfort, however, to the taxpayer. It would have been better for him if, in Canada, private investors had been permitted to continue to carry all the risks of operation of our transportation system instead of only the portion represented by the Canadian Pacific.

Simpsons To Refund

5½% and 6% Bonds to Be Replaced With Lower Coupons

A plan has been approved by directors of Simpsons Ltd., Toronto, mail order and retail merchandising organization, for refunding the present 5½% and 6% first mortgage bond issue.

The present bonds, which are payable in Canada, New York or London at the holder's option, will be refinanced with new bonds carrying lower coupon rates and payable only in Canadian currency.

Probable Rates

The refunding issue, which will be offered by Wood, Gundy & Co., is expected to follow the lines of the recent Canada Cement Co. offering. It consisted of short-term serial bonds carrying 3 and 3½% and a larger block of 15-year bonds carrying 4½% interest.

The amount of bonds outstanding at Jan. 8, 1936, was $9.7 millions. They are callable on 60 days' notice at 104. Interest on the bonds has been covered by a substantial margin, after depreciation charges, in every year of the depression except for 1932.

Head Office Montreal

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Ontario Shows Marked Progress in Finances for the Last Fiscal Year

Revenues Highest in History

ONTARIO

Ontario's Debt Shows Downward Trend

PROVINCE OF ONTARIO
FINANCIAL STATEMENT
(As at March 31st, 1936)

Gross Funded Debt		$602,027,287.91
Less—Sinking Funds		7,914,333.41
		$594,112,954.50
Unfunded Debt—		
Treasury Bills	$50,000,000.00	
Demand Deposits with Province of Ontario Savings Office	32,015,817.76	
Miscellaneous	3,000.00	
Special Funds	4,037,522.69	
	$86,056,340.45	
Accounts Payable	1,003,930.54	
Accrued Interest	8,385,288.27	95,445,559.26
Total Funded and Unfunded Debt—Less Sinking Fund		*$689,558,513.76
*Of this amount there has been invested in active revenue-producing and realizable assets:—		
Advances to Hydro-Electric Power Commission of Ontario		$172,735,150.78
Advances to Temiskaming and Northern Ontario Railway Commission		36,407,934.92
Cash and Accounts Receivable		8,804,266.40
Farm, Housing and Settlers' Loans		62,353,976.22
		$280,301,328.32

CONSOLIDATED REVENUE FUND
For the Fiscal Year Ended March 31st, 1936
Receipts

Revenue—		
Ordinary	$65,726,984.57	
Capital	1,928,717.32	
		$ 67,655,701.89
Public Debt—		
Proceeds of Bond and Treasury Bill Issues, etc.	$110,292,220.77	
Loan Repayments—Municipalities—		
Hydro-Electric Power Commission, Agricultural Development Board, etc.	19,004,177.34	
Special Funds—Deposits—		
Public Service Superannuation Fund, Municipal Sinking Funds, etc.	3,018,994.36	
		132,315,392.47
Returned Cheques Collected, etc.		215.50
		$199,971,309.86

Disbursements

Expenditure—		
Ordinary	$ 79,069,690.31	
Capital	16,786,439.84	
		$ 95,856,130.15
Public Debt—		
Bonds and Treasury Bills, etc., matured and paid	$93,483,279.60	
Loan Advances—Municipalities—		
Hydro-Electric Power Commission, Agricultural Development Board, etc.	1,364,153.55	
Special Funds—Repayments—		
Public Service Superannuation Fund, Municipal Sinking Funds, etc.	1,865,959.55	
		96,713,392.70
Balance due to Banks—March 31st, 1935	$ 1,883,594.88	
Add—Sundry adjustments	217.69	
		1,883,812.57
Cash in Banks—March 31st, 1936		5,517,974.44
		$199,971,309.86

RECAPITULATION
Ordinary Revenue and Expenditure

Ordinary Revenue for the Fiscal Year ended March 31st, 1936		$ 65,726,984.57
Ordinary Expenditure (before providing for Unemployment Direct Relief)		57,256,322.11
Surplus (before providing for Unemployment Direct Relief)		$ 8,470,662.46
Less: Unemployment Direct Relief and the Administration thereof		21,813,368.20
Deficit for Fiscal Year ended March 31, 1936		$ 13,342,705.74
Taxable Property—		
Assessed value of all property within the Province		$3,183,000,000.00
Estimated Potential Revenue Resources— (From the Public Accounts)		
Log Timber, Pine, Spruce, Poplar, etc.	$241,050,000.00	
Pulpwood Timber, Ties, Poles, etc.	337,200,000.00	
Crown Lands	23,000,000.00	
Water Powers	55,000,000.00	
Fish, Game and Fur	15,000,000.00	
Mines	20,000,000.00	
		$691,250,000.00

BUDGET FORECAST
(Fiscal Year Ending March 31, 1937)

Ordinary Revenue	$ 72,283,813.99
Ordinary Expenditure (not including Unemployment Relief)	59,085,828.35
Excess of Ordinary Revenue Over Ordinary Expenditure	$ 13,197,985.64
Estimated Net Expenditure on account of Unemployment Direct Relief and the administration thereof	12,600,000.00
Surplus Forecast	$ 597,985.64

Ontario's Credit Based on Tremendous Resources—Balanced Budget Anticipated

RIGID economies instituted by the present government have in no small way helped to maintain and advance Ontario's credit. During the first four months of the current fiscal year buoyant revenues have shown a substantial increase over the same period last year and a surplus of revenues over expenditures in ordinary account for the entire year is confidently anticipated.

For the fiscal year ended 31st March, 1936, all Province of Ontario obligations amounting to over $32,900,000 principal and $29,367,437 interest, have been met in the exact terms of the contract. In addition, there have been retired **before maturity,** bonds and treasury bills exceeding $8,000,000. Since the commencement of the fiscal year beginning 1st April, 1936, by reason of bonds retired, the funded debt of the Province has been substantially **decreased.**

The gross debt of the province will be decreased during the present fiscal year by more than $1,000,000 per month.

In area the Province embraces 407,262 square miles, and has a population greater than 3,400,000 people. The total mineral output in 1934 from Ontario's mines was $145,800,000 and for 1935 the total was $159,000,000. For the first half of 1936 this figure stood at $87,500,000.

The latest figures available for production of nickel, copper and other base metals, for the calendar year of 1935, amount to more than $54,600,000.

Within Ontario is found potential wealth equal to one-half of that of the whole of Canada. Boundless timber limits, tremendous mineral resources, fish, game, fur, an agricultural industry that annually markets over $500,000,000 worth of produce, manufacturing industries that with an annual production approaching $2,000,000,000 in value place Ontario first among the Provinces of Canada, a network of railways, highways, waterways and airways, — are some of the assets of Ontario.

Year by year Ontario continues to lead all provinces in gold production, and 1935 was no exception to the rule. Gold production in the province during 1935 was estimated at the new high level of 2,220,171 fine ounces. This compares with total gold production of 2,105,341 fine ounces in the preceding year.

Ontario, one of the wealthiest per capita areas in the world, bases its credit on the possession of virtually inexhaustible natural resources the steady development of which assures a constantly growing prosperity.

For Further Information Apply to

Treasury Department, Parliament Buildings, Queen's Park

Toronto Ontario

MITCHELL F. HEPBURN, Prime Minister and Provincial Treasurer

Major Murray Accepts Post AsRadio 'G.M.'

New Commission Will Take Over Duties November 2

HAS 3 OBJECTIVES

From Our Own Correspondent

OTTAWA.—The use of radio to promote national unity, the improvement of programmes, the extension of national coverage by construction of new and more powerful stations—these are the 3 major objectives before the board of governors of the Canadian Broadcasting Commission, which takes over direction of radio broadcasting in Canada November 2, under Leonard W. Brockington, K.C., of Winnipeg, as chairman.

The present 3-man commission form of control, which the 1936 radio committee of Parliament asserted "cannot be molded into a unit that can formulate and execute policies successfully," is replaced by a set-up similar to that which has operated successfully in the United Kingdom.

Murray Is Selected

While official announcement is withheld, it is understood that Major Gladstone Murray of the British Broadcasting Corporation has accepted an offer to become the new general manager.

Hector Charlesworth and his 2 colleagues will administer the radio commission until it expires, and meantime the disposition of the present staff, and possible retiring arrangements for the commissioners will be studied.

Duties Divided

The essential change is that whereas formerly the chairman of the commission was also the administrative head, thus dealing with broad policy and executive detail as well, under the new set-up these functions are divided.

The conception of the duties of a board of governors as held by the present Government is derived from the recommendation of the parliamentary committee of 1936:

"Members of the honorary board of governors should be men of broad outlook, having a knowledge of the tastes and the interests of the listening public and who can make a definite contribution to the solution of the problem before the corporation."

Choice Approved

The choice of Mr. Brockington as chairman of the board of governors appears to have met with unanimous approval. Though known best as a witty after-dinner speaker and eminent counsel, the Winnipeg lawyer has an educational background and an interest in the drama and in music which augurs well for the success of the new venture. He appears to be the outstanding member of the board. The inclusion of Mrs. Nellie McClung meets also with wide approval. N. L. Nathanson will bring to the board a weight of administrative experience and business background in the field of entertainment.

The others named: Rene Morin, Montreal, as vice-chairman; Brig.-Gen. Victor W. Odlum, broker, Vancouver; Wilfrid Godfrey, barrister, Halifax; Prof. A. C. Vachon, of Laval University, Quebec; Col. Wilfrid Bovey, barrister, Montreal, and Alan B. Plaunt, journalist, Toronto, though not so well known across Canada appear to have met with a good reception.

The complexion of the board as a whole appears to promise a minimum of party feeling or influence.

Murray Has Edge

Between now and November 2, the new governors will meet and officially name a general manager and an assistant general manager, subject to the approval of the governor-in-council. Speculation has mentioned repeatedly Major Gladstone Murray and Reginald Brophy, former of the B.B.C. and latter of the National Broadcasting Company of New York.

Since the new Canadian set-up is modelled very closely after the British system, it follows that Major Murray should get the call. The assistant general manager will be drawn, it is said, from Canadian ranks.

The act creating the new corporation provided the following remuneration for the board of governors:

"The chairman shall receive an honorarium of $1,500 per annum, and if an executive committee is established by by-law, each of the other governors on such executive committee shall receive an honorarium of $1,000 per annum; other governors of the corporation shall receive $50 for each meeting they attend but shall not receive more than $500 in any one year."

The act provides expense money for the governors. Their oath of office requires them to have no interest in any shape with private broadcasting or radio manufacturing companies.

Can Borrow Up To $500,000

The work of the new corporation envisages the gradual extension of the principle of public ownership of radio in Canada, and the enlargement of the present coverage. The Aird Commission of 1929 proposed a series of 5 or 6 super-power stations covering the whole of Canada. This has never been proceeded with, and the present state of the exchequer precludes any such extravagance.

But the act under which the new corporation operates provides the power to borrow from the Government up to $500,000 to construct new broadcasting stations. There are a number of blind spots in Canada, where radio listeners are unable to tune in to Canadian stations, although they may be able to hear the more powerful American or other foreign stations. Where the population of such blind spots justifies the erection of a new station, or an increase in power of an adjacent station, this will be undertaken.

Provision is made for changes in the personnel of the board of governors. The appointments are for 3 years, but in order to stagger the changes, 3 of those appointed last week were for one year only, and 3 for 2 years. They are all, however, eligible for reappointment.

No Interference Is Theory

The new corporation will be free from direct political or parliamentary influence, in theory at least. The link between it and the Government of the day is provided via the Minister of Transport, Hon. C. D. Howe. It must, also, go to the governor-in-council for approval before it enters into any large agreements or acquires property costing more than $10,000.

While the governors will lay down the broad policies, and define the objectives of the corporation, it is intended that the general manager, who is to be "an executive of the widest experience in the field of radio broadcasting," shall enjoy very wide administrative powers and be free from petty dictation from any source.

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EXECUTORS · TRUSTEES · FINANCIAL AGENTS

Radio Will Twinkle

Leonard Brockington Brings with Him as Radio Chairman, Culture, Wit, and Wisdom — Famed as Canada's Best After-Dinner Speaker

By N. B. ZIMMERMAN

Whatever Canadian radio may become under the dispensation of the new Canadian Broadcasting Corporation, it won't be dull. Leonard W. Brockington, the newly-announced chairman of the board of governors, will see to that, lending his abundant sense of humor to radio as he has done to the advancement of many another art and occupation.

Winnipeg, his present home, immediately became a happier place when the sandy-haired man with twinkling eyes moved from Calgary in 1935 to become counsel for the North-West Grain Dealers Association.

Cabinet ministers, mayors and aldermen who came back from conference in Calgary or Edmonton told of a man named Brockington, Calgary's city solicitor, who was without doubt the wittiest speaker they had ever heard. On his arrival in the Manitoba capital, Brockington lived up to the advance announcements.

L. W. BROCKINGTON, K.C.

Shrewd But Tolerant

Whether he spoke to his own beloved Welsh on St. David's Day; whether he battled in public against the shadowy dragon of prejudice labelled "The Grain Trade;" or whether he acted as chairman in a dramatic festival—it was all pure delight.

Wit poured out of him, shrewd—but tolerant. Here are some of the things the sons of Wales chortled over when he got up to respond to the toast, "Saint David and Wales," at a St. David's Day banquet in Winnipeg in 1934. He raked the other nationalities and their national days as follows:

"You know how the English at their national gathering begin by claiming modesty, and then, with typical English logic, claim all the other virtues as well. They tell you that cricket is a state of mind and not a game (which some of us have long suspected). Then they sing 'For He's a Jolly Good Fellow' and go rolling home, having annexed the solar system to the British Empire.

"Those warm-hearted and witty people, the Scots, have a St. Andrew's Society meeting, which usually develops into a crescendo of incoherence. They start with a poetical invocation to a boiled shepherd's pie. I don't rememer my Burns very well, but I think it begins: 'Wee, sleekit, cowering timorous beastie.' Then they deaden our sensibilities with music on the bagpipes, which is the music of the wide open spaces—the wider and more open the better. . . . They go home in a state of exaltation, believing that their national reputation for generosity has been vindicated because they gave you a hand when they sang 'Auld Lang Syne.'

"I have always gazed in admiration on the Fourth of July when all the Italians from New York, the Germans from Milwaukee and the Swedes from Minneapolis, thank God that their ancestors were liberty-loving Englishmen who fought the war of Independence."

Fame is Widespread

Such qualities of laugh-provoking wit made him one of the leading speakers this year at the convention of the Canadian Bar Association at Halifax, and the American Bar Association at Boston.

Speaking to Canadian weekly newspaper publishers at a convention early this summer, Mr. Brockington complimented them on coming from all parts of the Dominion—from beyond the Rockies, where hell must have been popping even before the days of Gerry McGeer; from Alberta, where they took the script out of Scripture; from Ontario, where they took the revel out of revelation.

In a more serious vein, he urged editors and publishers of Eastern Canada to remember that westerners were in reality their grandchildren. "And the art which is most worth cultivating is the art of being a grandfather—the art of tolerance and wistful understanding."

To him it appeared that Western Canada labored under tariffs designed to help eastern manufacturers. Because of geographical handicaps, easterners should not begrudge any subsidy to western farmers.

An able defender of the grain trade in Canada, he told a banquet gathering in Winnipeg last winter that uninformed criticism of the Grain Exchange sometimes represented it as "a cross between Madame Tussaud's Chamber of Horrors and the Black Hole of Calcutta."

For this misinformed attitude, not only the Grain Exchange but all business in Canada was to blame. "Business has been far too long diffident in sharing its experience and its knowledge with the public and far too slow in analyzing the services which it renders, in reforming its inequalities, in strengthening its weaknesses, and in educating the public to its mysteries.

"However one may view the principle of the nationalization of industry or business, a most dangerous first experiment is to attempt to nationalize the one business in Canada which is truly international in scope.

"An attempt to scrap or impair the intricate, efficient, cheap and economic machinery of the open marketing of grain is fraught with more than a threat of commercial disaster.

"The free and uninterrupted flow of cereal crops of Canada in channels of international trade is the very commercial life blood of Canada and the result of any serious or lengthy interruption of that flow spells national and commercial paralysis.

"As wheat goes, so goes Canada."

From Grain to Music

At home in explaining the intricacies of the grain trade, Mr. Brockington is equally at ease in conducting a symphony orchestra (as he did in Calgary), in warming up an audience before the presentation of plays in a regional competition of the Dominion Drama Festival, and in discussing English literature. He is an inveterate reader, but not a bookworm. He apparently has a very retentive memory, for his ability to quote aptly in enchanting, and his sonorous, cultured addresses show that he has learned prose from the masters.

His good humor he often turns on himself. At one time in Calgary he was an associate with Rt. Hon. R. B. Bennett, the former premier, in the law firm of Lougheed, Bennett & Co.

One day, according to Mr. Brockington, a man came into the office wanting to see Brockington, but he couldn't remember his name.

"I want to see that tall man," said the visitor." Since there were several tall men in the office, that was insufficient identification.

"I mean the tall man with sandy hair," pressed the visitor. Still insufficient identification.

"Oh, well," said the visitor, "take me to the fellow that looks like a sheep dog."

"And," says Mr. Brockington, "they took him to me."

A man of such good humor and tolerance is a great Canadian, even though born in Wales. He came to Canada in 1912 and after serving as a teacher, studied law. Later he joined Mr. Bennett's firm. From 1922 to 1935 he was Calgary's city solicitor. Then he relinquished his post to become general counsel for the North-West Grain Dealers Association, in Winnipeg.

He is married and has two sons.

Flaunts Depression

MUNICIPAL HONOR ROLL
City of Medicine Hat, Alta.

While Medicine Hat, Alta., cannot be said to be in unblemished financial position since its sinking fund is $991,489 in arrears, it has nevertheless improved its finances during the depression and can lay claim to a much better depression record than most cities in western Canada.

The city's record in recent years has been one of steady reduction in debt. Capital expenditures have been kept at a minimum, being taken care of out of current revenue as far as possible. In fact, the city has issued only $342,700 of bonds since 1915, and at the same time city services have not been neglected. It is perhaps the only city of 10,000 population in Canada that can boast of such a record.

Interest Reduction Possible

The city has enjoyed good management and has been free of compulsory debt conversion proposals such as have been proposed for Calgary, and Edmonton. There is of course the danger that interest on its bonds will be reduced should the recent Alberta legislation prohibiting municipalities from collecting taxes to pay more than 3% interest on their securities, be proclaimed. Although a municipality may wish to meet its obligations in full, proclamation of this act might easily prevent it from doing so.

Since the end of 1931 Medicine Hat has reduced its net debenture debt, including sinking fund deficit, by $491,145. Comparative figures follow:

Net Debenture Debt

	1935 $	1931 $
Net city debt	1,545,494	2,093,336
Net school debt	146,258	231,967
Sinking fund deficit..	991,489	849,083
	2.683.241	3,174,386

Gross Debt Reduced

Since the end of 1927, the gross debt of the city has been cut from $4,693,378 to $2,905,531 at Dec. 31, 1935. Of the latter amount, $1,188,661 is public utilities debt. Since the public utilities yield an annual surplus and are thus self-supporting, this portion of the debt is not a charge upon the tax rate. Gross general and school debt amounts to $1,716,871.

Bank loans have also been reduced. At the end of 1931, bank loans stood at $110,912. By the beginning of 1936 these had been cut to $57,068.

Expenditures Drop

The improvement in the city's position is almost entirely due to inauguration of a policy of economy. As a result expenditures for all purposes dropped from $1,010,326 in 1931 to $884,312 in 1935.

Tax collections have been poor and recently arrears have shown a rather sharp increase. Arrears at the end of 1935 amounted to $410,560 compared with $268,527 in the previous year. In 1935 collections of current taxes were only 69.4% of the levy. Since 1931 property assessment values have fallen by $2,599,035 to $7,291,095.

Relief Not Capitalized

Unlike many cities, Medicine Hat has paid all relief expenditures out of current revenue. In addition, utility property has been improved by relief work paid for out of current revenue. This, it is stated, has increased the value and lifetime of the utilities and deferred possible borrowing for future improvements.

Sinking Fund Weak

The weakest point in the city's affairs is its sinking fund and it is possible refunding of maturing debentures will have to be undertaken in the future. In fact, plans for such action have already been studied by the finance committee of the city council. It is anticipated, however, that the city will be able to meet all maturities to 1944 without resorting to refunding. Investments at present held in sinking fund and maturing to 1941 are more than enough to take care of the city's debt maturing to that year. Consequently, all payments to the fund from 1936 on will go toward meeting debt which matures after 1941.

If refunding is necessary in the future a favorable feature will be the short term for which the city's credit is mortgaged. All of Medicine Hat's debenture debt matures prior to 1955 whereas such cities as Lethbridge, Calgary and Edmonton have bonds outstanding which do not fall due until the 1960's and 1970's.

Bell 'Phone Moves Ahead

President Sise Outlines Betterments Experienced This Year

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada is experiencing a moderately better year than in 1935, according to a statement issued by the president, C. F. Sise.

An improvement in long distance toll traffic has been a feature of operations this year, the showing made being the best in several years. Up to the end of July long distance toll revenue resulted in an improvement of some $400,000 in the company's revenue from this source.

Expenses Also Higher

In commenting upon operations and revenues, Mr. Sise said:

"There has been a moderate increase in our expenses, due chiefly to higher maintenance outlay and increased tax bills, but on the whole our position is substantially better up to the end of July than at that time last year.

Toll Traffic Improves

"Long distance usage this year has shown marked improvement. It will be recalled that 1933 was the low year for this branch of our service. Nineteen thirty-four showed distinct improvement, but 1935 was another low year. The present year has been better so far than any of the past 4 years, and the trend continues quite favorable. To the end of July, revenue from long distance messages was up some $400,000 over the same period of 1935.

"As is well known, we have made 2 substantial revisions of our long distance rate schedule this year—part of our programme of better and cheaper long distance service that we have been pursuing for years past. One may use our long lines more satisfactorily, more speedily and more cheaply than ever before, and it seems to us reasonable to assume that the result of such a programme will be continuous expansion of the service."

Salmon Off Beaten Course, Canadian Canners Benefit

From Our Own Correspondent

VANCOUVER. — Hundreds of thousands of salmon from the Fraser River, after wandering around in the Pacific Ocean, didn't know how to get home.

That is one important reason for the big run of salmon in British Columbia this year, which will be a big factor in the recovery of the packing industry as well as a boon to hundreds of individual commercial fishermen.

Each year the salmon spawned high in the rivers of British Columbia invariably return to the place of their birth to lay their eggs. While on their way back the Fraser River salmon are caught by the American fishermen operating in Puget Sound waters and Canadian fishermen off the mouth of the river and in the Gulf of Georgia.

Usually the big run of sockeye is by way of the Straits of Juan de Fuca, which means that they pass through a long stretch of American territorial water. This year, for some unaccountable reason, practically none of the fish have returned from the Pacific by way of the Straits of Juan de Fuca. Instead they have taken a more roundabout course by way of the north end of Vancouver Island, which has kept the run almost exclusively in Canadian waters.

Experts are still trying to solve the riddle of this unusual variation. One theory is that the floods of the Skeena sent fresh water across a wide expanse of the ocean near the coast line, confusing the incoming salmon run. Another is that some submarine disturbance diverted the Japanese current which is always an important influence on marine life in the Pacific.

Regardless of the cause, the run of salmon has been unusually large in the Fraser River.

Victor Emery is Appointed To North. Canada Mining

Appointment of V. H. Emery as managing engineer for Northern Canada Mining Corp. is announced by J. B. Tyrrell, president and managing director. Mr. Emery will be in complete charge of the mining activities of Northern Canada, including Kirkland Lake Gold Mining Co., Argosy Gold Mines, Kirkland Basin Gold Mines, Casummit-Birch Lake Gold Syndicate, Nordarm Long Lac, etc.

In addition, Northern Canada is prepared to take over the management of various companies engaged in the development of mining properties.

ANNOUNCING

THE *SPOTLIGHT CARS* OF 1937

Exciting New

STUDEBAKERS

WORLD'S FIRST CARS WITH DUAL ECONOMY OF FRAM OIL CLEANER AND OVERDRIVE

★

NEW UNDERSLUNG REAR AXLES GIVE BIG ROOMY INTERIORS —CHAIR HEIGHT SEATS —LEG AND HEAD ROOM TO SPARE

★

WORLD'S LARGEST LUGGAGE CAPACITY

★

WORLD'S FIRST CARS WITH BUILT-IN WARM AIR WINDSHIELD DEFROSTERS

★

WORLD'S EASIEST CLOSING DOORS WITH EXCLUSIVE NON-RATTLE ROTARY DOOR LOCKS

★

WORLD'S ONLY CARS WITH AUTOMATIC HILL HOLDER

★

EXCLUSIVE NEW EASY PARKING STEERING GEAR

★

WORLD'S STRONGEST, SAFEST AND QUIETEST ALL STEEL BODIES

PRICES REDUCED UP TO $200...

AS LOW AS $1012 DELIVERED at Walkerville, Ont. including Government taxes, only freight and license to be added

Again Studebaker leads off the new motoring year with a hit that's a box office sensation! Magnificent new Presidents! Impressive new Dictators! Headliners in every inch from top to tires and bumper to bumper!

The photograph above does only half justice to the vigorous, clean-cut, refreshing new style lines that make these Studebakers the spotlight cars of 1937!

Silvery "winged victory" radiator grilles and hood louvers! Beautifully rounded one-piece hood tops that lift up from the front! Torpedo-type head lamps blend with the hood! Sweeping air foil fenders! Domed disc wheels!

And the interiors, styled anew by gifted Helen Dryden, are the richest, most luxurious your eyes have ever seen!

But the real thrill is in driving these new Studebakers! Arrange to do so now! See for yourself how much more you can get in an exciting new 1937 Studebaker than you ever thought a little money would buy!

STUDEBAKER'S C. A. C. 7% BUDGET PLAN OFFERS LOW TIME PAYMENTS!

The Studebaker Corporation of Canada, Ltd.

WALKERVILLE, ONT.

Investment Trends

Wall Street Optimism Supported by London

Movements in Canadian Stock Markets Show Strength in Internal Adjustment and in Comparison With New York—Dangers Seen in Cheap Money

Current opinion in Wall Street is that business recovery will continue its progress and that stock prices will sooner or later go to considerably higher levels.

"Optimistic as we have been about Wall Street in the past, we are more so now," says the bulletin of a London Stock Exchange firm. This feeling is widespread in British finance whence substantial funds continue to flow into American common shares.

Indirectly some of this British money is entering Canadian markets. Keen interest in American stocks has reduced the amount of outside investment here, but recent performances indicate Canadian shares are capable of maintaining their own high levels as long as outside markets remain high.

Weakening of the Roosevelt forces, as seems to be forecast by the results of the Maine elections and the Literary Digest poll, would not be regarded as favorable to gold shares.

Refusing the Barrier

CANADIAN stocks have been stronger relatively than U. S. markets. The Montreal Stock Exchange industrial average touched a new high of 78.9, and the Toronto Stock Exchange Index has approached 140, but is still substantially below 143.5, the highest point this year. In New York, the Dow-Jones industrial share average fell away after coming close to 170.

New York prices have given the lead to the recent strength in Canada. So it is not unreasonable to suppose that if Dow-Jones industrials can break through the 170 level and rail stocks through the resistance point above 56 it would point to higher prices here as well as on Wall Street.

One market comment is that fundamental influences tend to prevent broad liquidation although intermittent setbacks are inevitable. Improved business, taxation of those who sell stocks at a profit in the United States, modest brokers' loans, and inflationary influences all point to continued firmness for select shares over the longer term.

* * *

Banks Affected

REDUCTION of bank interest on savings to 1½% this year was necessary because of the banks' loss of income through their huge holdings of low-rate government securities. However, banks also passed on lower rates to all types of borrowers.

Now, commercial loan rates are under a new sort of pressure. U. S. banks have offered loans at cut rates to some Canadian branches of American firms. Canadian banks have offered to meet the lower rates, and the upshot is that the trend to lower interest rates in Canada has apparently not ended yet. Until there are signs of increased demand for more profitable loans, banks will probably continue to show their dividends earned by narrow margins.

Another adverse influence on bank earnings is new Alberta debt legislation which is believed to wipe out earnings or cause losses for many Alberta branches. It is doubtful whether branches in the province can pay all expenses under the new legislative measures, not excluding the Government's proposed "credit houses."

* * *

Relative Levels

WHILE a general average of shares prices is helpful to clarify the broad market trend, group averages give a better indication of movements within the whole market, as shown below:

Comparative Stock Movements
D.B.S. Indices, 1926=100

Group	Sept. 10 1936	Jan. 1936	Change %
Iron, steel	135.7	130.3	+ 4.1
Pulp, paper	18.8	18.6	+ 1.0
Milling	91.1	80.0	+13.9
Oils	219.7	231.0	— 4.9
Textiles	70.0	75.5	— 7.9
Foods	161.6	153.6	+ 5.2
Beverages	136.8	151.7	— 9.8
Misc., mfg., merchand.	370.0	307.1	+20.5
Transportation	30.6	29.8	+ 2.7
Telephone	114.3	111.4	+ 2.6
Power	68.2	66.0	+ 3.3
Total	122.4	117.8	+ 3.9

The minor strength in utilities, and the declines in textiles and beverage stocks indicate the uncertainties that have affected investor psychology toward such securities. The weakness in oils may be attributed partly to the fact that petroleum shares entered 1936 on the crest of a wave, from which there has been a backwash. Despite the strength of newsprint bonds, it will be noted that the year has so far been a rather poor one as far as pulp and paper shares are concerned.

The significance of this separation into groups is that it shows the substantial amount of internal adjustment within the market without a serious general recession. Consequently, it may be unnecessary to go through a painful slump to strengthen the technical position. That is, the market has been adjusting itself to individual situations in the period of summer hesitation.

* * *

Inflationary Sequence

MUCH of present day prosperity, says the Stock Exchange Gazette, London, is due to cheap money, but it has proved so easy to manipulate credit that doubts are beginning to arise as to its wisdom.

There may come a time when governments can no longer haul themselves out of difficulty by punishing creditors. France revalued its currency once and may do so again. Belgium has clipped its currency twice. The U. S. Government revalued the world's biggest gold stock enriching itself by over $2 billions. In Germany and Italy, all is for the state, down to the last pfennig and lira. When money is created so easily, it often becomes unprofitable to save.

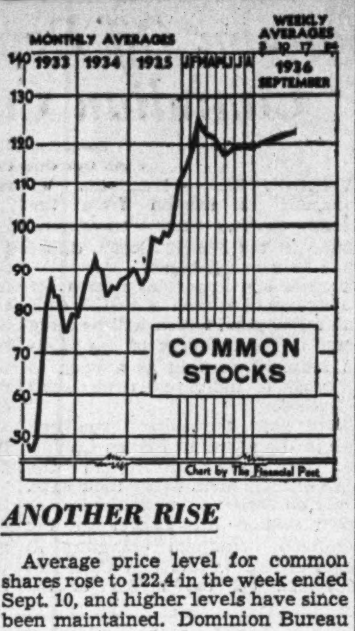
Great Britain was pushed off gold by a flight from the pound. Some similarity of risk is seen in British purchases of gold to support the franc since this creates foreign credits on London.

Barclay's Bank, in a recent monthly review, thinks cheap money has drawbacks. Machinery to prevent money having a fair price is set in motion to create more credit where there is a drift to dearer money. In England additional credit can be created by turning over the exchange fund's gold to the Bank of England, or by devaluing the pound.

So far, says the bank, credit expansion has been orderly and judiciously managed. But it warns that having the means to inflation at hand would be tempting in time of crisis and might lead to an undesirable boom and to a subsequent collapse.

Owing to large surpluses of commodities, prices of raw materials and the cost of living have not risen commensurately with prices of securities. The day may be coming, however, when commodity prices and living costs will rise faster. Boom conditions would probably result, and the eventual necessity of even mild deflation would cause a decline of materials and securities finally.

The time for apprehension will probably be when people become conscious not only of the rise of stocks but also of commodities. As yet this has not developed.



ANOTHER RISE

Average price level for common shares rose to 122.4 in the week ended Sept. 10, and higher levels have since been maintained. Dominion Bureau indices, charted above, appear on this page.

Burry Biscuit Shows Profits For Common

Earns Over 28 Cents a Share in First 7½ Months

EXPANDS CAPACITY

BY STAFF EDITOR

LINDEN, N.J.—Earnings of Burry Biscuit Corp., as shown by earned surplus for the 7½ months from Jan. 11 to August 22 this year, totalled $125,092 for preferred and common stock, after depreciation charges. Rising earnings and production apparently account for recent strength in the common shares which crossed $9 on the Toronto Stock Exchange, the highest level since listing this year.

Dividends actually paid on the 10,000 preferred shares in the 7½ months were $12,000, leaving $113,092, or over 28 cents a share applicable to the 400,000 common shares outstanding.

Earnings Calculations

The company's operations under the present corporate set-up date from the beginning of this year. As the financial year closes Oct. 31, the first annual report will not show a full 12 months earnings. Another effect will be to exclude the high seasonal volume of November and December. Operation of the new 375-foot oven at Linden which was just "burnt in" this week will only be partly reflected in the year's statement.

Calculating on the basis of the 7½ months earnings, without allowance for increased seasonal volume in the autumn, the rate of earnings for a full year would be about $20 a share on the preferred which carries a dividend of $3 a share. On the common, the annual rate of earnings on this basis would be about 43 cents a share. Actual expectations of earnings for the first 12 months are over 50 cents a share on the common.

Business Increasing

The company's sales for the full year 1936 are expected by the management to come close to $3 millions. The new oven at Linden, described as the world's largest steel band bake oven, practically doubles the capacity of this plant. With this increase in capacity, it is hoped sales in 1937 may reach $5 millions without proportionate increase in costs.

The new oven allows production of crackers at Linden as well as at Chicago where crackers are made by Educator Biscuit Co., a subsidiary. The Linden plant has been concentrating chiefly on fancy English-style biscuits. Great Atlantic & Pacific Tea Co. and other large retailers are among major buyers of the products.

Balance Sheet Figures

Consolidated balance sheet at Aug. 22, 1936, shows total assets of $912,839, including $540,040 of current assets of which over $236,000 were Dominion government bonds. The other major assets item was $275,479 for plant equipment after deduction of $52,115 depreciation reserve. Real estate and buildings do not appear since the company leases its plants.

Current liabilities are $102,091, leaving working capital at $437,949. Other liabilities are those to shareholders: $500,000 for the 10,000 preferred shares of $50 each; $50,000 for the common shares of 12½ cents par value; $104,156 of paid-in surplus and $113,092 earned surplus at Aug. 22. There is a minority interest in capital stock and in surplus of $43,499.

Directors of Company

President of the company is George W. Burry, Linden, whose initial training in baking was obtained in Toronto and England. Other directors are G. W. Fraser and L. B. Filbrandt, Chicago; S. C. Ross, Buffalo; J. B. White, of Duncanson, White & Co., Toronto.

Additional data on the company appear on page 16.

Trustee Moves to Take Property of Legaré Co.

From Our Own Correspondent

MONTREAL.—Royal Trust Co., as trustee for the bondholders, has commenced legal proceedings to take possession of the property of the bankrupt P. T. Legaré Company, Quebec chain merchandising firm.

Last month bondholders approved of an offer received from Louis D. Hudon, of Quebec, to take over the assets. Mr. Hudon's offer provided for the setting up of a new company. The equity of the old debenture, preferred and common stockholders was wiped out. Holders of each $100 of first mortgage bonds are to be given $25 of new bonds, together with $75 of new preferred, for their present holdings. They also have the right to purchase at a discount bonds in the new company. If this right is not exercised, then creditors of the company will exercise the option. Sale of the additional new bonds will provide working capital to carry on the enterprise.

Arthur Cross Elected Head Dominion Steel & Coal

From Our Own Correspondent

MONTREAL.—Arthur Cross has been elected president of Dominion Steel and Coal Corp. succeeding Sir Newton Moore, who has resigned on account of serious illness. Mr. Cross joined Dosco in April, 1931, in the capacity of assistant to the president and treasurer and subsequently became a director and vice-president.

H. J. Kelley has been elected first vice-president and will continue in the office of general manager which he has occupied since 1924. Mr. Kelley has been in charge of plant operations with offices at Sydney since his appointment in that year.

Montreal Brokers' Loans Higher at End of August

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange at the end of last August totalled $22 millions. This represents an increase of $1.2 million in the previous month and $4.7 millions over the same date a year ago.

Pejepscot Paper Raises "Spot" Price

From Our Own Correspondent

MONTREAL. — Pejepscot Paper Co., of New York, put into effect on Sept. 1 a stock price for newsprint of $42.50 a ton. This represents an increase of $1.50 a ton over the current rate.

The move by Pejepscot is regarded as important by Canadian operators, in that an American domestic producer, is taking the lead. Though the tonnage controlled by Pejepscot is small, its action is heartening to the Canadian operators who have been disappointed over the new price of $42.50 on the 1937 contract deliveries.

Peel Street Realty Seeks Concessions

Asks Bondholders to Set Up Committee With Wide Powers

From Our Own Correspondent

MONTREAL. — Holders of the 6½% first mortgage serial gold bonds on Peel Street Realties Ltd. will meet in Montreal October 6, to consider a proposal for the appointment of a protective committee of 5 members to act with the trustee in the interests of the bondholders.

It is proposed to give this committee power to waive default by the company in the payment of the principal of any of the serial bonds, and to postpone payment to a date not later than March 1, 1951, to waive from time to time any and all defaults by the company on payment of taxes, and payment to the trustee on account of interest and principal; to defer payment in any year of interest on the bonds provided that such power shall continue for a period of not more than 10 years, or until the company is in arrears to the extent of 12½%.

The committee will be appointed for a period of 10 years or until the company is in arrears in payment of interest to the extent of 12½.

Interstate Royalty Corp. Defers Class "A" Dividend

From Our Own Correspondent

MONTREAL.—Interstate Royalty Corp. directors have deferred dividend action on the Class A shares until September 30 next. A dividend of 28 cents a share was paid July 1 last.

Rothermere Visualizes Big Growth

Remarkable Developments Ahead For Canada Says Peer

HE'S ON FLYING VISIT

"I am convinced that the years that are just ahead for Canada will witness in this country most remarkable development," said Viscount Rothermere in the course of an informal interview with The Financial Post this week.

The British newspaper peer, proprietor of the Daily Mail and many other papers in Great Britain, is making one of his numerous flying visits to Canada to look over his large investments here, represented chiefly in the Anglo-Canadian Pulp and Paper Mills and other newsprint manufacturing companies.

"Take your chief sources of income one by one. Consider what is ahead for them and you must be impressed with the very bright outlook that each one presents.

Europe Will Want Wheat

"In wheat, your main problem is the fact that your former big markets in Europe have not been buying from you. But population is growing rapidly in Europe. Even in the dictator countries, that have been developing policies of self-sufficiency there will be need for food that they cannot supply themselves. Germany, Italy and other European countries will be knocking on the door of Canada, seeking to buy wheat very shortly.

"Or consider your mines. I do not think that Britain fully appreciates how sound and aggressive has been the development of your mineral resources in recent years in Canada. And you really have only got started. These new mines that have produced your large crop of new millionaires and have spread wealth all over the country are but the beginning of the mining developments you will have in Canada in the years just ahead.

Sees Tourist Growth

"Another thing that is not fully appreciated in Britain is the position that the tourist business has reached in Canada. Summer heat makes people uncomfortable and restless. They can escape its worst rigors by coming to Canada. Canada will become a country of summer homes and great country estates.

"Or take again the newsprint industry. Every plot of woodland in Canada is going to gain rapidly in value. The world faces in the next 10 years a very serious shortage of paper.

"There is not a country in the world that is not demanding more newsprint paper than ever before; even where dictators censor newspapers and close up many of them, the public is reading more than ever. The chief reason for the growth in newspaper circulations in every country is that young men and women have become newspaper readers. Even boys and girls are newspaper readers today. Many of them read only for entertainment but they do read and they create a vast new market for newspapers.

"The supplies of pulpwood in the world are dwindling. Canada is the greatest remaining source of supply. All the countries of the world will be demanding newsprint paper from Canada.

"There is no doubt in my mind that the next 10 years will see the Canadian output of newsprint paper doubled. Your 2½ million tons a year will become 5 million tons a year. The price is bound to go up as the demand increases.

"The newsprint industry will again be your greatest and most prosperous industry."

War is Only Cloud

"Only one thing can prevent these vast strides being taken by Canada in the immediate future. That is a European war. What would follow from another world war no one can say. But one thing is certain, that it would be so disturbing and far-reaching in its consequences that any prophecies one makes must carry the reservation that their fulfillment depends upon the maintenance of world peace."

Viscount Rothermere has been accompanied on his visit to Canada by Collin Brooks, financial editor of the Sunday Dispatch, who is making a tour across Canada going as far west as Vancouver.

Vancouver Kraft Mills To Resume Production

From Our Own Correspondent

VANCOUVER. — After prolonged negotiations between bondholders' committees, trustees, shareholders and other interested parties, Vancouver Kraft Mills, Ltd., appear to be headed at last toward a production schedule.

Kleinworth & Company, London bankers, and American capitalists are providing the necessary finances for putting the Port Mellon kraft paper mill into operation, and it is probable it will be producing early next year. F. W. Leadbetter, who built the mill, dock and other facilities in 1928, is still one of the principals in the organization.

The mill was virtually completed when the market for kraft paper collapsed, and a complete shutdown of construction was ordered.

Investment Notes

Hinde & Dauch—"We feel the present small yield is anticipating an increase in dividend," is the comment on the common shares in a circular issued by Moss, Lawson & Co., Toronto Stock Exchange firm.

* * *

Distillers-Seagrams—Sterling Securities Corp., U. S. investment trust, disposed of all its 2,000 shares of Distillers Corp.-Seagrams in the quarter ended June 30, 1936. It also got out of its 1,500 shares of McIntyre Porcupine Mines and all 3,000 shares of Howe Sound Co.

* * *

Simpson's Ltd. — Refinancing of bonds will help the preferred by removing the exchange risk on interest and also by the reduction of senior charges. Only $4 of the $6½ preferred dividend is being paid. Recent advances in the preferred and class A shares are reflections of the benefits expected from the new financing.

* * *

Paramount Pictures — The sick giant of the moving picture industry had an exceptionally good summer. It had a good August theatre business followed by a booming September. Its 1,000 theatres have felt the full force of the box-office upturn experienced by all the major companies. Paramount is expected to use profits throughout 1937 for various write-offs to strengthen its position before considering dividend disbursements.

* * *

F. N. Burt Co.—Net profit improved from 97 cents a share on common shown in 1933 to $1.92 a share shown in 1935. The $2 dividend has been paid throughout. The 1935 year was the best since 1931 and, though 1936 is an uncertain quantity as yet it is likely that, with a highly liquid position, it can still follow a generous dividend policy.

* * *

Moore Corp.—The A and B preferred have advanced materially in 1936 owing to the fact that they are not redeemable and both are convertible into common stock. Dividend of $1 a share on the common was earned twice over in 1935 and it is understood that the record has been improved on materially to date in 1936. Nevertheless it is not expected that the common dividend is due for an early rise. The U. S.-Canadian treaty providing for a 5% tax on profits instead of 10% has not yet been signed. Both parties are willing but involved state of United States politics at present makes Washington officials averse to signing anything until the Senate Committee on foreign affairs gives its undeniable consent. Until the treaty is actually signed full total of Moore Corp. profits which may come to Canada cannot be calculated. But present dividends are amply guarded.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	139.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
Weekly Figures, 1936:										
Sept. 3	133.3	18.1	90.7	220.4	69.0	159.6	136.9	194.6	53.1	120.9
Sept. 10	135.7	18.8	91.1	219.7	70.0	161.6	136.8	196.9	53.9	122.4

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 15	138.53	143.35	147.61
Sept. 14	139.12	143.00	147.96
Sept. 12	139.44	143.13	147.80
Sept. 11	139.19	143.29	148.36
Sept. 10	140.23	143.42	149.26
Sept. 9	138.39	143.14	150.23
Month ago	134.67	145.93	152.75
Year ago	111.45	105.09	93.52
High, 1936	142.48	150.46	150.23
Low, 1936	123.71	113.97	122.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 15	71.9	78.9	76.1
Sept. 14	71.4	78.2	75.9
Sept. 12	71.3	78.2	76.1
Sept. 11	71.1	78.3	76.1
Sept. 10	71.1	78.3	75.8
Sept. 9	71.0	77.7	73.9
Month ago	70.5	75.3	73.0
Year ago	61.3	60.2	56.8
High, 1936	71.9	78.9	76.1
Low, 1936	67.2	69.5	68.9

Great Lakes Power Company Limited
First Mortgage Sinking Fund Bonds

The Great Lakes Power Company Limited enterprise was established in 1916, and has had a successful record of operations since that date.

Earnings of the Company during the past four years have shown steady improvement, and for the year ended December 31st, 1935, after retirement allowance, amounted to $535,889, compared with interest requirements on this issue of $180,625.

Price: 99.50 and interest, to yield 4.28%

Descriptive circular gladly furnished upon request.

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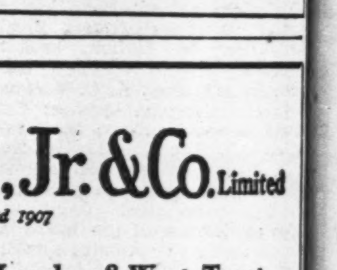

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Western Assurance
Manufacturers Life
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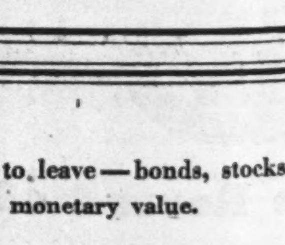

YOUR WILL and YOUR EXECUTOR

Bond Markets

Dominion Loan Fails To Check Bond Market

Too Great Stress Laid on Over-subscription of Issue as an Indication of the Government's Credit

With the Dominion loan out of the way, government and corporation bond prices are again soaring into new ground.

Recent legislation in Alberta is again causing adverse reaction in the market for western bonds, municipal and provincial, prices easing off somewhat. It appears that bondholders are to be faced with another deluge of interest reduction proposals from Western municipalities.

Recent price action of Simpson's Ltd. 6% bonds due 1949 is explained by the announcement of a refunding issue. Immediate over-subscription of the new issue is forecast.

The price of Howard Smith Paper Mill 5½% bonds due 1953 is taken as an indication that immediate refunding is in prospect.

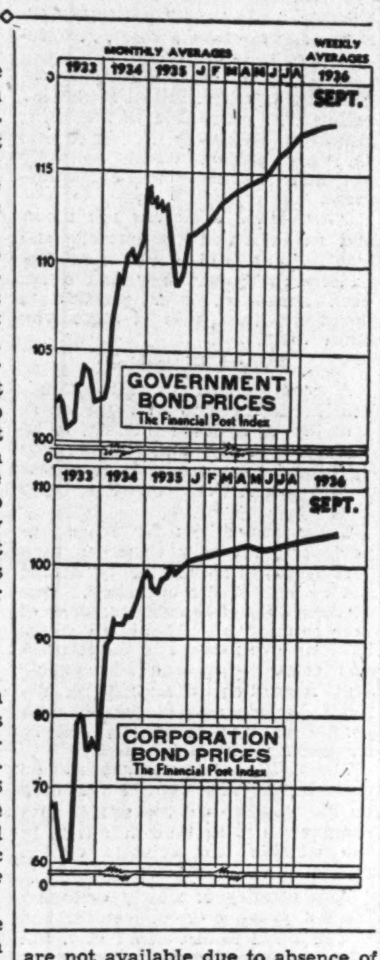
London investors in newsprint bonds are somewhat perturbed by the reported infestation of Quebec pulp company limits by the spruce sawfly.

Sale of $20 millions of Dominion of Canada treasury bills on Sept. 14 at an average price of 99.83993 set a new record for this type of short-term financing. This represents an average cost to the government of 0.643%.

The $100 million Dominion government loan was oversubscribed 5 times. Expecting that the issue would be over-subscribed most investment firms put in for a larger amount than they actually wanted.

The 3% perpetual bonds went to a premium over offering price almost immediately. Large purchases were made by speculators and also by trustee investors.

Allotment of the 3% perpetual bonds was $65 millions and of the 1% 4½-year bonds, $45 millions.



Federal Financing

THE fact that the books on the federal loan were closed within 2½ hours of opening is gratifying indeed, but there is too great a tendency on the part of many Government supporters to hail the success of the issue as proof of the Government's financial strength.

The present federal administration has improved Canada's financial standing and there is no doubt as to the ability of the Government to service its borrowings. However, the exceptional demand for government bonds and the low rate at which the Government is able to borrow is not due to its excellent credit standing. Rather the rise in price of government bonds and the consequent fall in yields is due to changing conditions in the money market. The supply of investment funds and bank credit merely is keeping ahead of the demand for such money.

* * *

Government Credit

BERNARD KILGORE, writing in the Wall Street Journal, points out it is difficult to measure a country's credit in its domestic market. Of necessity, government credit sets the standard for all credit, because in a sense government bonds and currency both represent public credit and government bonds are payable in currency.

It is rather difficult to measure one kind of government credit in terms of another kind. A government either has credit or it doesn't have credit. People have confidence in its obligations or they don't have confidence. Except for temporary panic periods, perhaps, it is probably inaccurate to say that a government's credit is better or worse than it was at some other time. It is only the money market that changes the rate on government debt, according to Mr. Kilgore's contention.

* * *

Stretching the Debt

A STUDY of Dominion of Canada bond maturities indicates that the Government is gradually shifting its debt into longer-term securities. The Government's total and growing obligation is being gradually stretched out over a longer period of years.

Taking 6 years as an arbitrary dividing line between short-term and long-term maturities, the debt figures disclose an interesting fact. They show that despite government deficits of the past 6 years and consequent net borrowing, the Federal Government has been able to reduce its short-term debt below what it was in 1930. While definite figures are not available due to absence of the actual divisions between short and long-term maturities in recent issues, The Financial Post estimates that the short-term direct debt amounts to about $1.1 billion compared with $1.3 billion in 1930. Thus the entire increase of over $700 millions in the past 6 years, plus an additional $200 millions, has been shifted into the long term category.

This is a good system, most students of finance agree. While the Government at the present time pays higher rates for long-term money than for short-term borrowing, it can now obtain 20 and 30-year loans at a lower figure than it formerly paid for a 10-year loan. Eventually, however, interest rates will rise so that the Government is well advised to undertake as much long-term financing as possible.

Scattering out of maturities over a long term is at any time a wise policy. The danger of too much debt coming due at any one time is generally recognized.

* * *

Government Bonds

THE trend of the market for high-grade government issues is indicated below:

The Financial Post Average Price and Yield for High-Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Sept. 15	117.83	2.971	Sept. 14	108.04	3.950
Sept. 14	117.81	2.971	Sept. 13	108.29	3.933
Sept. 12	117.80	2.977	Sept. 12	109.14	3.869
Sept. 11	117.77	2.980	Sept. 11	110.29	3.759
Sept. 10	117.81	2.977	Sept. 10	111.04	3.680
Sept. 9	117.66	2.991	Sept. 9	111.71	3.629
Sept. 8	117.75	2.981			
Year's	117.81	2.971	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Bond Tenders

Sept. 19, Mun. of County of Inverness—$30,000, 4% 20-yr. serial, dated Sept. 15, 1936. John Beaton, municipality clerk, Port Hood, N.S.

Notice of Special General Meeting of Shareholders

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of Brewers & Distillers of Vancouver Limited will be held in the Board Room at the offices of The Royal Trust Company, 626 Pender Street West, Vancouver, B.C., Canada, on the 26th day of October, 1926, at the hour of eleven o'clock in the forenoon for the purpose of considering and, if deemed advisable, sanctioning and confirming a Special By-law enacted by the Directors of the Company providing for the change and conversion of the authorized capital of the Company presently consisting of 7,500,000 shares without par value into 750,000 shares of the par value of $5.00 each.

By Order of the Board of Directors,
GEO. W. TWITTEY Secretary.
BREWERS & DISTILLERS OF VANCOUVER LIMITED

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We are recommending the purchase of several pulp and paper bonds at present prices for substantial appreciation.

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Alberta's Social Credit Disguise for Communism

(Continued from page 1)

ment providing that the debt adjustment bills should come into force only on proclamation. Mr. Maynard sharpened his blade for such an amendment, and boasted to the representative of one financial institution that he would kill it forthwith. When this section of one of the bills came before the House no opportunity for amendment was given, the back-benchers breaking forth in a loud chorus of "carried."

Ministers in Wrangle

At one stage of the recent session, Conservative leader Duggan called attention to the extraordinary situation of 2 ministers trying to bring in amendments as Mr. Maynard wrangled with Mr. Hugill, Attorney-General.

While the debt adjustment bill was in committee of the whole, the Attorney-General moved an amendment to one of its early sections which would have made the bill less objectionable. The amendment was lost by a vote of 29 to 18. Some 10 Government ministers and the official opposition constituted the 18. Mr. Maynard and his supporters among the "back-benchers" constituted the 29.

On another occasion Premier Aberhart administered a rebuke to J. H. Unwin, Social Credit whip, who wanted to deny creditors the right of suit when a debtor defaulted.

All this indicates that there is considerable difference of opinion with the party itself.

There is little possibility, however, of Mr. Aberhart being ousted as leader. Social Credit objectives are a unifying force. Observers state that Mr. Maynard and his followers realize that Premier Aberhart has a strong personal following and recognize his usefulness as a mouthpiece because of his personal magnetism. To force him out of office would wreck the party.

Hands Off — Ottawa View

The attitude of the Dominion Government toward illegal usurpation of various of its powers by the Aberhart Government in Alberta has been to avoid taking any action that would have the effect of allowing the Social Credit leaders to declare themselves martyrs. That is, the Dominion has adopted a hands-off policy, in the belief that it would be unwise to give Mr. Aberhart any escape from fulfillment of his seemingly rash promises of $25 a month for all Alberta adults.

The question of what stand the Dominion Government should take in view of the amazing legislation that has been passed in Alberta, cancelling interest and repudiating debts, government, municipal and private, as well as usurping the Dominion's powers to regulate banking and currency, is one of the most important arising from the legislative handspringing of the Alberta Government.

Will Contest Legislation

To date, financial and business institutions with interests in Alberta have taken a rather passive attitude toward the so-called "Social Credit" experiment. Faced, however, with severe financial losses as a result of the most recent legislation which may severely affect their solvency, the affected institutions have at last been aroused and propose to contest the legislation in the courts. Legal opinion is being sought by the banks, life insurance companies and other groups as to whether or not the legislation is ultra vires.

Many lawyers seem to feel that the Debt Adjustment Act is ultra vires as far as it affects interest, if not in its entirety.

Hon. Lucien Maynard, minister without portfolio, foresaw this contention in speaking in the Alberta Legislature. In referring to the constitutional question, he said:

"Some lawyers claim the provinces have no jurisdiction over debts and interest rates. There can be no doubt that the provinces alone have jurisdiction over debts; this is one field of legislation in which Ottawa cannot enter.

"As to interest, it is true that the B.N.A. Act reserves to the Federal Government the right to legislate in matters of interest.

"But it has been held time and again by the Privy Council that where there was a conflict in legislation between the provinces and the Federal Government over some matter which fell under 2 separate headings, one in which the province had the right to legislate, and the other in which Ottawa had sole control, then the jurisdiction would go to the body which had the main subject matter of the legislation, providing the subject matter under legislative control of the other body was affected simply as an incidence of the legislative right of the former."

Institutions Will Withdraw

It is generally conceded if the legislation is permitted to stand all financial institutions such as banks, loan companies, trust companies, insurance companies and other lending institutions will be forced to discontinue business in the province or take a severe loss. If the act is valid then the future of these companies in Alberta will be merely one of liquidating present investments. Companies such as the automobile concerns and farm implement manufacturers which usually sell their goods on credit will be forced to operate on a cash basis. All of these companies state definitely that they are unable to operate on a 5% interest basis.

In other words, Alberta has chartered for itself a course for a cash system of financing business. This simply means, in effect, that some $190 millions of trade annually will either shrivel up gradually, or that a method other than orthodox credit will have to be found to finance business.

Word Not Kept

There is no guarantee against similar legislation being passed in the future, resulting in further losses to the lending institutions. The Government cannot be depended upon to keep its word. Last spring there were rumors of legislation such as that recently enacted. At that time Premier Aberhart approached eastern lending institutions with regard to securing seed grain loans. As a consideration for the much-needed loans, Mr. Aberhart promised the contemplated debt legislation would not be passed by his government.

It did not take him long to forget his promise, and as a result the lending institutions which came to his aid are left "holding the bag."

Most Industry to Suffer

Loss of credit facilities carries tremendous potent to the province. It appears inevitable that a very large proportion of industry would be stifled. It is generally conceded that about 90% of all business is transacted through credit. Even allowing for some additional currency not now in use, and some obtained from sale of securities and other means, it would seem safe to say that about 75% of the present business in the province will require to be financed by some means other than by cash. Inasmuch as gross production of the province runs about $250 millions, the enormity of financing this 75%, if present credit channels are blocked, is readily visualized.

Of course, it has from the beginning been part of Social Credit doctrine that borrowing from outside sources should be halted, and that credit should be created within the province. It has never been made clear, however, just how the credit is to be created. Despite this tenet of the Crediters, the prospect of realizing the no-outside-credit ideal has created considerable alarm among the leaders. Mr. Aberhart himself, for instance, inveighed vehemently against the banks liquidating loans in Alberta—a charge which was flatly denied by the banks. And when presenting the debt adjustment legislation recently, Hon. L. Maynard, who has been playing a major rôle in the Alberta show, made the following surprising plaint:

Hits Creditors Again

"This intervention (apparently referring to the 10-year period required for liquidation of loans) is more particularly needed in the province at this time when we recall that most of the creditors are strangers and are draining from the province all the money supply available. They are making it practically impossible for commerce to function, and are destroyall confidence in the province."

Financial men express themselves unalarmed by a possible flow of deposits to the proposed Social Credit clearing house. To this institution, the Government has urged the people to transfer their funds. Financial men are of the opinion, however, that Mr. Aberhart does not possess sufficient influence over his electorate. It is pointed out that he has gained his support by his promise to give something away; it may be a different story when he asks for something.

Power to Set Prices

The interest fixing legislation is not the only recent legislation which has far-reaching effects for industry. The Trade and Industries Commission Act is one of the most serious from a commercial point of view. The act empowers the cabinet to form a 3-man price spreads board. It also authorizes the appointment of inspectors to hear evidence, virtually anywhere in Alberta about any sort of prices.

The act allows the board to prescribe maximum or minimum prices, wholesale or retail, for a legion of goods and also for services. It provides that in fixing prices the board need not take into consideration any plant, equipment or investment not deemed necessary for actual production, nor of capital representing such plant, equipment or investment.

That is, the legislation aims at elimination from industrial costs of any sort of capital that the board deems extraneous to actual production. How this would work remains to be seen, but it is greatly feared by business interests. For instance, there is the question of whether an Alberta plant would be allowed to calculate interest on borrowed money as an item of cost. And the price-fixing provisions could bring about numerous business restrictions by the government-appointed board.

Demise of Scrip

Early demise of the Aberhart scrip experiment is indicated. Recently the premier struck out at party members for refusing to take scrip in change from retail stores. "This is not playing the game," said Mr. Aberhart. "As time goes on these hypocritical bluffers will come to the surface and each community will recognize them as traitors to the cause of freedom."

The rush of individuals on Sept. 10, 11 and 12 to redeem in cash the comparatively small amount of scrip which has been out into circulation, is also taken as an indication of the failure of the scheme. The parade of individuals bearing bundles of scrip notes showed that as a substitute for money it has not been successful. While the amount redeemed is not known, it is certain that much of the scrip returned to the treasury.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 8	Sept. 9	Sept. 10	Sept. 11	Sept. 12	Sept. 14
U. S. dollar, High	.5906	1.00	1.00	1.00	1.00	1.00	.99 31/32
Low	.5906	.99 31/32	.99 31/32	.99 31/32	.99 31/32	.99 31/32	.99 31/32
1935, High	.5906	1.00 1/16	1.00 1/32	1.00 1/16	1.00 1/16	1.00⅜	1.00 11/32
Low	.5906	1.00 1/16	1.00 1/16	1.00 1/32	1.00 1/32	1.00¼	1.00 1/16
U. K. pound	4.8665	5.05¾	5.06	5.05½	5.05 11/16	5.05 11/16	5.06¼
Argentina	.4246	.2825	.2857	.....	.2850	.2860	.2855
Australia	4.8665	4.0349	4.0379	4.0359	4.0394	4.0389	4.0419
Austria	.1407	.1890	.1890	.1890	.1890	.1890	.1890
Belgium	.1392	.1691	.1690½	.1690½	.1690½	.1690	.1690
Brazil	.1963	.0585	.0596	.0598	.0595	.0595	.0595
Czechoslovakia	.0296	.0413½	.0413¾	.0413¾	.0412½	.0413½	.0413⅝
Denmark	.2680	.2258	.2258	.2258	.2259½	.2260	.2245
France	.0392	.0658⅜	.0658	.0658⅜	.0658 1/16	.0658 1/16	.0656⅜
Germany	.2382	.4023	.4024	.4023	.4023	.4023	.4024
Greece	.013	.0094¼	.0094¼	.0094¼	.0094¼	.0094¼	.0094¼
Holland	.4020	.6765	.6775	.6783	.6786	.6786	.6788
Hungary	.1749	.1985	.1980	.1980	.1985	.1985	.1980
India	.3650	.3818	.3829	.3823	.3827	.3826	.3829
Italy	.0526	.0795	.0795	.0795	.0795	.0795	.0795
Japan	.4985	.2955	.2965	.2960	.2970	.2966	.2965
Jugoslavia	.1929	.0232	.0229½	.0231	.0229½	.0229½	.0229½
New Zealand	4.8665	4.0674	4.0704	4.0684	4.0719	4.0714	4.0745
Norway	.2680	.2541	.2545	.2541	.2543	.2543	.2545
Poland	.1122	.1890	.....	.....	.....	.1890	.1888
South Africa	4.8666	5.0285	5.0322	5.0297	5.0341	5.0334	5.0372
Sweden	.2680	.2607	.2609	.2607½	.2609½	.2610	.2611
Switzerland	.1930	.3256	.3255½	.3257	.3259	.3259	.3280
Hong Kong	.5422	.3130	.3134	.3121	.3130	.3129	.3130

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Dom. Canners	6%	1940	Oct. 1	110
Mt. Royal T.&T.	5%	1970	Oct. 15	105
Can. Cement	5½%	1947	Nov. 1	104
Gt. Lakes Pwr.	6%	Serial	Nov. 1	*
Hyd. Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Ottawa L. & Pr.	•5%	1957	Oct. 1	104
McC. Wilson Lumber	6%	1939	Oct. 1	102
Wood, A. & J.	†6%	1944	Oct. 2	103
Dom. Tar, A, B	6%	1949	Nov. 16	103

For sinking fund:; •$70,000; †$21,500.
*Callable on 4½% income basis.

Stock Issues:	Rate	Stock	Date	Price
Ottawa L. & Pr.	6½%	Pref.	Oct. 1	105
Niag. W. Weav.	$3	Pref.	Oct. 1	*60

*Plus 75c. per share representing accumulated dividends to the date of redemption.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Outremont, P.Q.	Aug.	Banque Can. Nationale, Ernest Savard	4%	Serial	$115,000	101.15	3.89%
Fort William, Ont.	Aug.	Dominion Securities Corp.	4%	1937-41 1942-43 1944-45 1946-47 1948-51	400,000	....	*3.75% *4.00% *4.10% *4.20% *4.25%
Delhi, Village of, Ont.	Sept.	Midland Securities	3% 3½%	1-10-yr. 11-20-yr.	21,250	100	.....
Dominion—							
Canada Treasury Bills	Sept.	.....	...	Dec. 15	20,000,000	99.839	.643%

*Offering.

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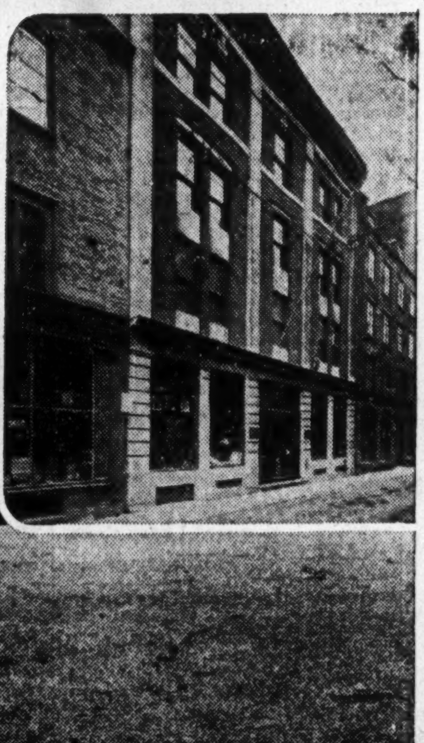

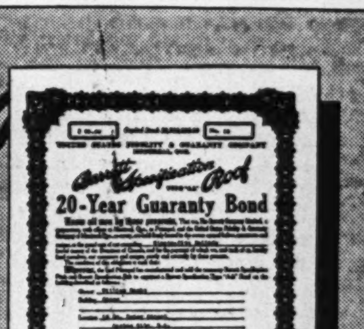

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Twenty years ago, in historic old Quebec, A Barrett Specification Roof, bonded for 20 years, was applied to the building of Wm. Doyle. Today we are proud to publish this letter from Mr. Doyle, and an unretouched photograph of that roof, taken last month. Here, then, is documentary proof that Barrett roof construction methods, based on 82 years of experience, are entirely sound.

This is not an isolated case, but many examples can be shown of Barrett roofs 20, 30 and 50 years old and still in good condition.

For roof permanence and satisfaction, specify Barrett — "The greatest name in roofing."

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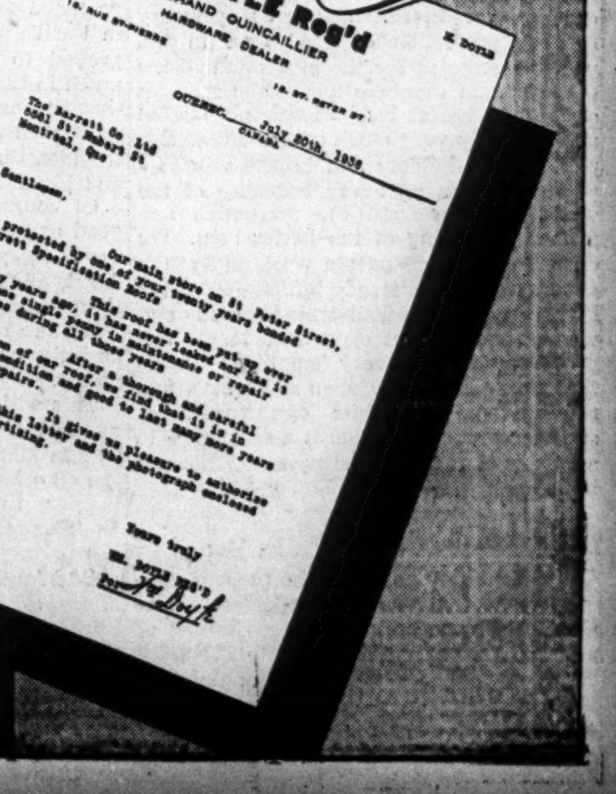
WHAT THE OWNER SAYS



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Per W. Doyle

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Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.
Founder and Chairman — John Bayne Maclean
President — Horace T. Hunter
Vice-President and General Manager—
H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—20c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

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TORONTO, SEPTEMBER 19, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets, achieved through economies and not by new taxation.*
2. *A "pay-as-you-go" policy in public spending to peg public debts.*
3. *Abolish politics in the C. N. R. to end deficits.*
4. *Appointment, promotion and payment by merit in the public service.*

4. Merit System in Public Service

IN RECENT years Canada has made notable progress in building up a permanent public service of highly professional status. To the national service have been attracted many exceedingly capable and highly trained men of the type of W. C. Clark, in finance; Hugh Scully, in customs; O. D. Skelton, in external affairs; Norman Robertson, Loring Christie and L. B. Pearson in the same field; George Sedgwick, in the tariff board. The list of such men, chosen without regard to their party affiliations, selected in some cases by the Conservative Mr. Bennett and in others by the Liberal Mr. King, is lengthening, so much so that naming even these individuals is not fair to other good men.

There is much promise in this trend; promise chiefly of creating in Canada the nucleus of a civil service of the type that has given government in Great Britain its high prestige and influence at home and abroad.

Lord Hewart provoked some discussion a few years ago by challenging the growing power of the civil service in his volume "The New Despotism." And yet alarm concerning the dangers of an entrenched bureaucracy has died out in the face of world-wide admiration for Britain's permanent government staffs.

In a working democracy, it is necessary to protect the ultimate power of the people, acting through their elected representative, from the encroachment of irresponsible dictation by permanent employees.

It is necessary too to leave room for the temporary or part-time enlistment of the assistance and counsel of independent citizens in business or the professions—men such as Arthur B. Purvis, in employment, James R. Murray in wheat, James Y. Murdock in the C.N.R.

Without losing these benefits it is, however, possible to build up a highly trained permanent staff of governmental advisors, chiefs and workers who can be of inestimable value to the nation. Such a plan, now developing at the nation's capital, is infinitely to be desired ahead of the spoils system that unhappily still prevails rather generally throughout the provinces.

Initial selection of well-trained men and their promotion by merit and the payment to them of adequate rewards for their work may well provide at least one firm prop for good government in Canada.

But it is unfortunate that the uplifting of public service to a professional status should stop with Ottawa. The spectacle of wholesale firings and new hirings by provincial Premiers Hepburn, Aberhart and Duplessis, for example, was one to sadden the hearts of honest citizens. Such post-election dismissals are equally unfortunate, whether regarded as evidence of the dropping of good pilots or as the firing of incompetent ones. For good men should be retained and unworthy ones should never be appointed in the first place.

The Financial Post feels that it is dealing with a rather fundamental factor in the solution of our national problems when it includes, as a plank in its platform for Canada, the abolition of the spoils system, wherever it still prevails; the continued raising of the standards of selection, appointment and training in the public service; the adequate reward of those who work for the people; and their promotion by merit.

There should be no increase in the public service until taxes have been drastically reduced. This is as necessary for the protection of good men in the public service as for the protection of the taxpayer. In numbers the public services of Canada are at least adequately staffed and probably very much over-staffed. But political job-holders and hopeless incompetents clutter up many branches of the work. They prevent the promotion and proper rewarding of the better men. We do not need more people working for the government but a steady infiltration of the higher types of well-trained men and women. We do not even need larger appropriations, for every employer knows that three intelligent men are worth five routine workers while one person of superior practical genius is worth more to a government than an army of intellectual impotents.

The Test of the C. N. R. Board

THE railway policy of the present government is to put the Canadian National Railway back into the shadow of political domination and then to appoint a board of directors to resist that domination. Building up such resistance will be a hard task even for wiry-minded and intensely eager men of the type of J. Y. Murdock and H. J. Symington.

Apparently the government has had two ideas in mind; first that the people's railways ought to be under the immediate control of Parliament. And, secondly, that, to the extent that control is delegated, it ought to be handed over to the permanent officials of the railway, aided by a compact directorate.

In selecting directors the original idea may have been to go as far as possible in matching the Canadian Pacific's board of experienced, competent business leaders. Probably this idea ran into snags when political and sectional considerations made themselves articulate. The actual board chosen is something of a compromise between the two ideas.

There will be only one yardstick of the success of the new board as of Mr. Hungerford and his full-time associates: their ability to reduce and quickly eliminate the deficit. It is hard to be optimistic about the results.

Its railway policy is the least courageous or realistic effort of Mr. King's government. It is at best a makeshift. A crack-up in Canada's credit may yet be needed to arouse any concerted national demand for an effective effort at solution.

England and Our Mines

ONCE more, English parsons, doctors, professors and housewives are being invited to participate in Canadian "mining ventures."

Unfortunately for these people, and still more unfortunately for Canada, they are, in the main, the wrong kind of mining ventures.

The Financial Post has commented before on the unhappy circumstances which surround many Canadian mining issues in the United Kingdom. With the present intense mining activity in this country, the evil has evidently revived, and groups in Toronto and Montreal are bombarding gullible English investors from 3,000 miles away.

The technique of these shares pushers is always the same. The Englishman is offered units of stock at high prices, and is reminded that had he bought stock at the same price in the early days of Lake Shore, Noranda or Hollinger, he would now be a millionaire.

Recently, a case came to the attention of The Financial Post in which shares were offered in a Canadian mining company at 5 shillings per share. There was absolutely no market for this stock in Canada, and the property in question was in only the preliminary stage of development. At most, the shares were worth a few cents. For 5 shillings, the English investor could have bought stock in many a legitimate Canadian mine, near, or in production.

The stock is not always offered from Canadian sources, but is generally handled by a group of outside brokers in England.

The irritating part of this practice is that people who are not permitted under Canadian legislation to sell certain issues in this country, are able to go to England and sell them under English law. The result is, of course, that the prejudice which already exists in the Old Country against Canadian mining is intensified.

In boom times like now, when Canadian and United States capital appears plentiful, this may not appear a serious thing. But it is important. The Englishman is twice shy if once bitten, and the operations of these long distance share pushers are bound to have a deleterious effect on all types of Canadian financing in England.

Is the Recovery "Spree" Over?

WITH almost every business barometer in the United States pointing to "fair," there comes a voice challenging that the "recovery spree is now over and a not-to-be-ignored decline already under way." The voice is Forbes Magazine, edited by dynamic B. C. Forbes.

It would be a matter of very wide importance to businessmen in Canada and in the United States if the Forbes hunch proved to be right. We have heard so much in the last two years about recovery, that having barely tasted its sweet nectar businessmen will be very loath to accept the idea that the ambrosia is turning sour and bitter already.

Of course, business is never uniformly good or bad. In Canada, for example, we have enjoyed improving business since April, 1933, but in this three-year period there have been at least three occasions when the recovery curve either stood still entirely or actually slipped back a few points.

This will happen again not only in Canada but in the United States. It may happen in Canada during 1936-7 because of the crop failure in Western Canada; it will happen in the United States if labor troubles reach an acute national crisis during the next twelve months.

But fundamentally there seems no evidence as yet to support the view that Forbes is right and the rest of us are wrong. Admittedly opportunities for foreign trade are none too bright and in the case of Great Britain, for example, seem to have reached their peak for the time being. But underlying the business outlook in both Canada and the United States is the acknowledged fact that in most kinds of property and equipment a colossal vacuum has been created due to failure of individual and corporate enterprises to replace the wear, tear and obsolescence that has taken its mounting toll since 1929.

A recent issue of Factory Management and Maintenance, for example, estimated that in the past six years, the U.S.A. failed to build $29 billions worth of houses and other buildings that ought to have been put up; estimated that there was an electric appliance market in the country of approximately $16 billions, a farm electrification market of $5 billions; a central station market of $3 billions; a machine tool market of $1 billion; an industrial power plant market of $4 billions; an air-conditioning market of $1 billion; a textile machine market of $1 billion; a motor vehicle market of $2 billions annually. Proportionate figures could be supplied for Canada.

Not all these things will be done at once, of course, but an increasing number of them are being done now, with the result that industry is said to be employing almost as many men today as in the peak year 1929. Thousands of individual industries are employing actually more men than in that year.

To say, therefore, that business has been on a recovery "spree" is at best but a half-truth. True, recovery has made startling strides in three years in spite of set-backs which have and will occur. Underneath, however, there has been an extraordinary vitality to returning prosperity which has been fed in large measure by the momentum of "rebuilding"—a momentum barely under way in many important industries.

The immediate business problem for Canada seems, therefore, not so much the fear of returning depression as it is the fear that precious opportunities may be lost by not clearing speedily enough, the way to recovery.

Editorials in Brief

Hitler has expropriated 25% of the capital of the Jews. But as a confiscator he is entitled to only a back seat. Aberhart's repudiation measures will confiscate more than 25% of capital in his province.

* * *

Last week a stupid mistake on this page had us criticizing the Regina Post for something the Regina Star said. Apologies to the Regina Leader-Post, which would not have published the views that aroused our ire.

* * *

Asked what would defeat Roosevelt, Paul Block, eminent American publisher, said "High taxes and increased cost of living." These are ultimately the enemies of all governments although contemporary politicians do not seem to realize it.

* * *

The old saying about the devil quoting Scripture to his own ends comes to mind as we find the Daily Clarion, a radical labor sheet in Toronto, quoting with approval certain statements of The Financial Post and then disagreeing so violently with something else in the same issue that it asks "Has The Financial Post gone off its collective editorial chump?"

* * *

Alberta's statute prohibiting municipalities from levying taxes for more than 3% interest on their bonds is described naively in the daily press as "similar to Ontario legislation." The present Ontario Government has repudiated power contracts for its municipalities, but at least it has never forced its municipalities to repudiate their bond contracts. Some Aberhart propagandist appears to have pulled the legs of newspaper editors.

* * *

Stephen Leacock's four articles in the Morning Post, of London, discussing the financial condition of Canada, have been widely criticized. They indicate that Canada's burdens are onerous and that we are not quite honest with ourselves in our refusal to face up to them. In some quarters Professor Leacock is criticized for damaging Canada's reputation in London.

But Professor Leacock's facts are fairly marshalled and his interpretations are sound. It is the facts themselves—chiefly the fact of public apathy in the face of hastening crisis—that are damaging.

The Financial Post understands that the Leacock articles will be available in pamphlet form in Canada and Britain within a few days.

Post-Scripts

IN A NUMBER of the appointments made by the King Government it is difficult to find any political bias. The cases of J. R. Murray, Canada's wheat czar, and Herbert J. Symington, K.C., newly created director of the Canadian National Railways, may be cited.

Both Mr. Murray and Mr. Symington are close business associates of I. W. Killam, Montreal's influential but very retiring financier. And Mr. Killam is the proprietor of the Mail and Empire, of Toronto, whose editorial page is as aggressive a spokesman for the Conservative party as there is in Canada.

To the credit of the Mail and Empire it should be said that, despite its strong Conservative tradition, it has been most generous to Mr. Dunning and some other members of the King Government in their handling of the critical problems under their direction.

Or take the case of Leonard Brockington, chairman of the radio commission. He is a former legal associate of Mr. Bennett.

Sayings of the Week

"I don't let anything bother me. I keep cheerful."—*John D. Rockefeller.*

* * *

"I have been exceptionally lucky." — *Lord Tweedsmuir.*

* * *

"One of the problems we must guard against is booms."—*Daniel C. Roper.*

* * *

"We are caught by a period of fundamental change, and must make the best of it."—*John Haynes Holmes.*

* * *

"The mass debt of the nation is one and the same thing as the mass savings of the nation." —*James P. Warburg.*

* * *

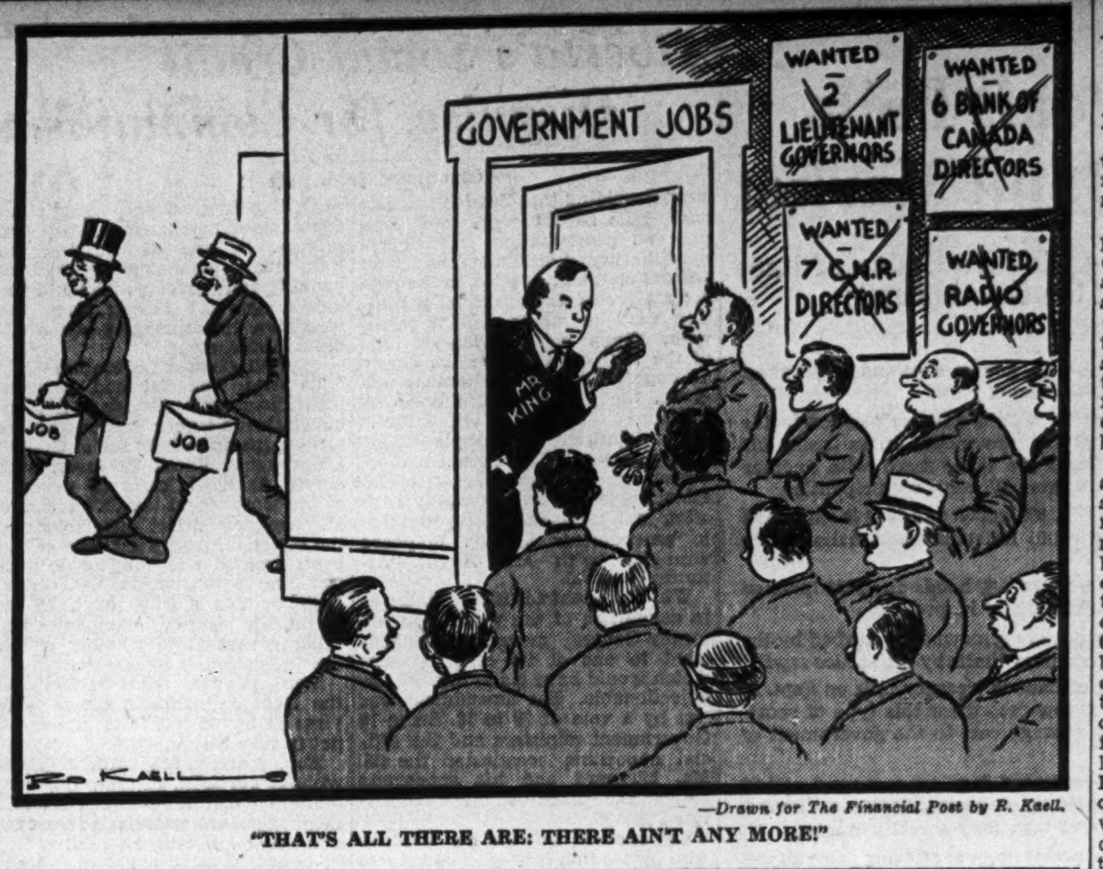
"The first thing to grasp in the study of finance is that men make everything and that money makes nothing."—*Sir Daniel Hamilton, retired Calcutta businessman.*

* * *

"In spite of the advances made by organized labor up to 1920 the United States is still overwhelmingly an open shop nation."—*Harry Elmer Barnes.*

* * *

"Our recovery is being accomplished by development of our almost inexhaustible supply of natural resources, which other countries require and the possibilities of which few have realized."—*Thomas Bradshaw.*


GOVERNMENT JOBS
WANTED 2 LIEUTENANT GOVERNORS
WANTED 6 BANK OF CANADA DIRECTORS
WANTED 7 C.N.R. DIRECTORS
WANTED RADIO GOVERNORS
MR KING
JOB
JOB
R. KAELL

—*Drawn for The Financial Post by R. Kaell.*

"THAT'S ALL THERE ARE: THERE AIN'T ANY MORE!"

Honest Citizenship

By SIR EDWARD BEATTY

Briefed from recent Calgary address of the Chairman and President of the Canadian Pacific Railway Company.

There never was a time in the history of Canada when democratic government was so little held in respect as today. Much of the critical attitude of our people to their governments results from that general discontent which the nation has experienced in its sudden and enforced change from a period of great optimism and expansion to one of economic retrogression. The same spirit of criticism, sometimes fair and sometimes unfair, has been exercised at the expense of business, of the Church, and of many of our other social groups and institutions in Canada. This is not unnatural. After all this is a free country, and even slightly unfair squabbling about whose is the blame for things as they are is but a demonstration of the self-examination of a free people—rather impatient at some economic confusion and distress.

National Board of Directors

There has grown up in our national life the theory that Parliament is nothing but a national board of directors. It is there, most people believe, to run the country exactly as a board of directors runs a private corporation. If this is to be the function of Parliament then it cannot continue to be elected as it presently is. Consider what would be the sort of directors which great corporations would have, did their election depend on their skill in appealing to class, race, religious and sectional prejudices which might exist among the shareholders, the employees, and the customers.

Our present system of democratic government can never choose parliaments or legislatures competent to conduct the affairs of the state as a board of directors conducts the affairs of their corporation.

The possible alternatives are Fascism or Socialism. These are both based on the theory of a government which "runs the country." I dismiss them both without comment, because I am convinced that the people of this country are not seeking to change their historic form of government.

Need No New System

To me it appears certain that any troubles which exist in this country can and will be cured by an improvement in our conduct of our present system of government, and not by some radical change in the relations of the state and the citizen.

If, as I have suggested, the average personal qualifications of the men whom we elect to represent us are at least reasonably high, then why is it that they do not succeed in giving us better government? The fault, I fear, must be yours and mine. The saying is an old one, and as true today as ever, that a nation has as good a government as it deserves.

However good a government we elect, its skill in functioning will be only as great as the ordinary citizen will let it be.

The weakness, in short, is simply that impatient citizens are constantly hounding governments to do things which governments should not do.

Take, for example, the outstanding question of the public finances. How did we arrive at a condition in which most of our public authorities face serious financial embarrassment? Simply by loading on those public authorities all sorts of functions for the real or fancied benefit of this or that group in the country, without thought of the ultimate consequences.

Government's Hole

The first obligation of citizenship is to come to some conclusion of what are the proper functions of the public authorities. Unchecked indulgence in this programme of hounding public authorities to do things which public authorities should not do, will end in the breakdown of democratic government by the bankruptcy of public authorities.

To my mind the fundamental cause of our troubles lies in an only too general unwillingness to discuss our common affairs on the assumption that most of us are reasonably honest and patriotic citizens. Let me take a case . . . unification of railways.

It is said that the Canadian Pacific is trying to seize the people's railway. . . . It is said that there is danger of monopoly. . . . It is said that my project would callously abandon workers to unemployment.

When these criticisms are made, and answered temperately and clearly, and still are repeated, exactly as though they had never been answered, it is possible to doubt the good faith of those who make them.

Honest Discussion

A problem such as railway unification deserves to be regarded as a matter of national interest, to be discussed freely and temporarily by honest men, ready to recognize honest convictions on the other side.

There are things far more important to me as a Canadian than that railways should be or should not be unified for operation. One of them is that the Government of this country should at all times have such confidence in the fairness and common sense of the people that legislation to accomplish desirable objects may be drafted with confidence that its merits will be discussed fairly and honestly.

The ability of governments to do such things will depend not only on the wisdom and courage of governments, but on their full faith in the wisdom and courage of the people.

This country is slowly emerging from a grave economic crisis, and is beginning to see ahead of it another period of reasoned progress. It will be important that in such a period we should avoid the excesses which marked the career of private business in the boom which was ending when I spoke here last (1929).

More important, however, is it that in the years ahead of us we may remember how much has been added to the burdens of this country by the false plan of hounding governments to do things which governments should not do.

Lower Prices, Greater Wealth

By J. GEORGE FREDERICK

Business economist and publisher, in The Forum and Century Magazine

With every day that passes it becomes increasingly clear that the progressive lowering of prices on so-called standard units of merchandise is the soundest method of economic betterment that we are ever likely to know.

Low-price technics, both of manufacture and of distribution (and low-rate interest and capitalization as well), represent the one stony but sure road to wider distribution of wealth and production and, thus, the general national welfare.

In the middle, nonpartisan position on the political scale is Harold G. Moulton, president of the Brookings Institution, who says that after extensive economic research it seems demonstrated that there are in reality but 2 choices: (1) raising wages or (2) reducing prices.

He favors the latter, since higher wages aid only a very limited portion of the community, whereas lower prices benefit all. Furthermore, they should (barring the obstructions of monopoly) come about in the ordinary course of capitalistic economics.

Old Point of View

During these difficult years much serious economic thinking has been done by a minority of businessmen and the scales are falling from their eyes. They see that there has been a great deal of makeshift, lazy drifting with the tide of economics and only a minimum of fundamental business thinking. The machine age's swift pace and the stimulus of World War inflation had encouraged business to follow the easy path of skimming the cream and cultivating the high spots. Goods were produced at uneconomic cost levels and sold at very wide margins to the easy-spending class—until the cream-skimmers crowded each other so hard that there was no more cream to divide.

Then, lacking the courage, vision, ability or capital to travel the harder road to low-price technics, to reach the great mass markets, they fell to chiseling, price cutting, cheating, speculating, manipulating finances, unsound installment selling, exaggerating, and other hectic methods—until these too were of no more avail; and then we had the inevitable collapse.

Emphasis on Lower Prices

The end of the road for the old point of view seems now to have arrived; we are at the beginning of a very definite period of low-price technics; there appears no other way out.

To put valuable goods, raising the standards of living, of health, and of culture, into the hands of families which need them but have not been able to afford them is admittedly the very highest economic statesmanship. It solves political and economic problems before they arise; it is a free democratic society in genuinely practical operation. It is its own best cure for social discontent and maladjustment, its own disciplinary guardian against rapacity and financial manipulation.

Low-price technics "denature" the profit system by reducing unit profit to a small fraction and thus rewarding with large riches only those few who have shown exceptional genius for increasing the purchasing power of the masses.

Few people resent Henry Ford's millions, for this precise reason, since they know how much richer we might all be if only we had more Henry Fords in other fields of industry.

As Others See Us

This Booklet Is Worth Reading
Stratford Beacon-Herald

Could we get along without money? That is a silly question for a man to put to his wife, for the head of a business to put to his board of directors, or for a prime minister to put to his Cabinet. But it is a question which Sir Norman Angell sets out to answer in the course of a series of articles on "Your Money," which appeared recently in The Financial Post.

Sir Norman Angell is generally considered to be one of the few men in the world who really understand the nature of money. The articles that he contributed to The Financial Post, described as "plain facts in plain words," have been reproduced in booklet form. Copies may be had at some of the Stratford book stores and we earnestly commend the booklet to the attention of all who are interested in gaining a better understanding of the complexities of monetary matters.

Sir Norman is an English economist and journalist, world famous as the author of the Nobel Prize winner, "The Great Illusion," which has been translated into many languages. He went to the Western United States in 1890, and after ranching, prospecting and working on newspapers, returned to Europe in 1898. He was editor of the Paris edition of the the London Daily Mail from 1905 to 1914. He is an ardent advocate of peaceful co-operation in international relations. Sir Norman was Member of Parliament for North Bradford in 1929. He was created a knight in 1931. He is 62.

The booklet, "Your Money," is available from The Financial Post at 50 cents.

Newfoundland's Problem

An Editorial in Observer's Weekly, St. John's, Newfoundland

The influence of the fisheries upon the economic situation in Newfoundland is clearly demonstrated in the comparative statements on relief expenditure for July.

It is doubtful if ever before in local history have there been as many as 41,664 people on able-bodied relief in the chief producing month.

The failure of the shore fishery in many places is responsible for this approximately 50 per cent increase in persons on relief and in the cost of dole distribution, and the situation is likely to be very much aggravated by the uncertainty of marketing conditions and the effect this may have upon those who did catch some fish.

It does not matter how many more motor cars are imported, how much higher revenue returns become, how much more is being spent on entertainment and luxuries when we have to face the problem of 41,000 destitute people in July.

How many will this mean in November and subsequent months? If the figures are not lower than last year's, we must envision at least 16,000 families on relief in the late fall, winter, and spring periods.

That these people are on relief is not the fault of any but a very few of them. That the dole figures should now be so large is not the fault of the Government but of circumstances over which we have no control. But that does not alter the fact that the dole is the real problem of the country and that progress toward rehabilitation must be shown in the form of a steadily diminishing able-bodied relief outlay.

What is the solution? No one man can provide it but many minds brought to bear upon the problem may find ways and means of easing the situation. This is everybody's problem and everybody should be thinking about it.

For ourselves, we have only been able to see two possible solutions. One is greater activity with regard to industrial and mineral investigations in the hope of discovering and developing new avenues of employment in a short time. The only alternative is land settlement on the most suitable sites and on a far more extensive scale than the present plans call for. Meanwhile the fisheries are not finished. Conditions must some time return to normal. But we may be able to improve the position now if we would take prompt steps to examine the possibilities of reciprocal trade with Brazil and Italy. The effort is well worth making, all the more so in view of the tremendous relief problem that now confronts us and which cannot be met for ever by the mere distribution of minimum food requirements to the destitute.

In the Mail

(Not over 200 words, please)

More and Better Credit

Editor, The Financial Post:

Your editorial, entitled "An end to borrowing," has been read with much interest, and much more merriment.

The purport of your thought presented there, is that Canada has over-borrowed; that all borrowing should cease; that Canadians should be taxed to pay that debt (now existing). Furthermore until the present debts are paid we should not borrow further, save that sum which we can "obtain by reasonable taxation." You also quote 3 eminent businessmen to back up your contention.

May I enquire—do you know of any business, anywhere, that has succeeded in a large way, that did not rise to fame on borrowed money—(I should say perhaps "on borrowed credit")? Of course, everyone knows there is no money to borrow, and this has been the case of a great many centuries. Canada and the rest of the nations borrow CREDIT—not money, and of course this applies to all industries. How can Government or industry borrow money in Canada, for instance when today we have less than $190 millions in money? But we also have $10 billions of credits contracted. Thus how can we hope to borrow "money," especially on the basis of the authorities you quote?

It is clear, the people do not understand what this thing is all about, and editors, bond salesmen, bankers and other Pharisees of their kind, make it their business to eternally befog the issue, in order that the people will not understand.

What Canada needs is a new credit extension. A credit extension, so devised, that politician and racketeer could never usurp or destroy it. Then have that credit placed at the disposal of honest brains, that could not be bought and sold.

A. F. COLWELL,
Cumberland Bay, N.B.

Hard Work

By CALLISTHENES

In one of Selfridge and Co.'s advertisements in the Times, London.

What, after all, is hard work? Every man and woman, interpreting the description in the light of their own experience, will offer his own version. The man who breaks up stones for road building, or delves into the roadway with nerve-shattering pneumatic drill, brings real physical effort to bear upon his labors. His work is hard in the accepted sense of the term. He is winning his bread literally by the sweat of his brow—bread for stones, in very truth! Here is a "hard worker," fit object of our admiration.

But the man in business, whose recurrent plaint is "hard work," has no need to call upon his endurance, his physical reserves, to any notable degree. He is not required to exercise his brawn, to emulate the muscular effort of the village blacksmith. Seldom is he occupied with routine duties all day and far into the night. If he is, his work may be hard and tiresome, but it is scarcely the kind that brings him great success. A man guiding the destinies of a successful enterprise may be tempted to attribute his success to hard work. But it is not so much hard work as deep, constructive thought which wins the goal.

Really, one comes to the conclusion that the description "hard work" is elusive, defying adequate analysis. It may be interpreted in any desired fashion by every sort of individual, from the navvy to the philosopher, from the laborer to the man of science, from the student poring over his books to the director wrestling with the problems of his business.

Hard work, then, may defy definition, but let us call it "intelligent effort," and from the aspiring junior to the man of Cabinet rank, who would question "work" when so defined as the sovereign "open sesame?"

Profession of Government

Vancouver Sun

In spite of the demagogues and the doctrines, government is a profession.

When it ceases to be a profession and becomes an adventure or an experiment, it is no longer government, but chaos.

Stop Me If You've Heard This One . .

The fellow was noted for his scarcity of cash, his short temper and his nerve.

While seated in his club one day he was presented with a bill by a debt collector, who had somehow managed to elude the doorman.

"Sir," snapped the fellow, glaring hard at the man, "is this all you know of the usages of decent society? To present a bill to a man in his club. Are you aware that you are an intruder here? Do you know that I could have you thrown out? Now, if you wish to talk business with me, go outside and present your card to the attendant."

The debt collector went out, and presently the attendant arrived with a card on a salver. The fellow picked it up and read the name.

"Tell the gentleman," he said, "that I am not in."

Week in Business

Buying Power Rises 400% in One Area

New Distribution of Prairie Income Is Major Factor in Business Outlook — Modernization Market Looms — Is Recovery Slowing Down?

Overshadowing other business news of the week is the estimate appearing elsewhere in this issue that the dollar value of the new crop now being harvested in the West will be $24 millions greater than last year, or an increase of 16%. In view of the fact that the crop will be short, the sharp improvement in price and quality which has led to this gain in buying power is therefore of wide interest to business.

Distribution of these gains are very important. Thus the specially prepared chart based on Sanford Evans reports shows a gain for Manitoba, for example, of no less than 87% compared with 1935, while in one particular area the increase is no less than 400%. These are the facts and figures which are leading to careful re-examination of the entire Western picture by sales managers and business executives quick to realize the significance of this important news. In Alberta, of course, the news will be tempered by the very disturbing legislative actions of the present government which have already caused much concern among all business done on anything but a cash basis.

* * *

Modernization Market Opens

Another constructive factor is the opportunity afforded in the building field by the plan of home modernization announced last week by the National Employment Commission. With a modernization market in Canada estimated recently by The Financial Post at a potential figure of over $200 millions; with roughly 85% of this expenditure going directly into labor expenditure (on the basis of U. S. experience) the opportunity afforded by money on a 5% discount rate without any collateral or other security, is one of real significance to Canadian recovery.

Two things seem necessary to bring this plan to a head. The first is definite co-operation of individual bodies of merchants and manufacturing groups toward participation in this plan. The second is the co-operation of municipalities in making the terms of this legislation available immediately, if possible, without waiting for the time that must necessarily elapse before specific federal legislation is available to implement the plan.

* * *

Is "Recovery Spree" Ended?

To the chorus of expert voices that acclaim the return of prosperity comes the lone voice of B. C. Forbes proclaiming that the "recovery spree," as he calls it, is nearing an end, and that a decline is already under way. If Mr. Forbes is right, the voice of the prophet is one that should be heard and heeded. At the moment there are few if any to agree with him.

Just this week conservative Arthur B. Wood, president of Sun Life told his agency force "the promise of a continued advance is everywhere evident," while the third quarter business summary of Col. L. P. Ayres, of Cleveland says:

> "Until now the recovery that began in 1932 has been most irregular with encouraging advances being largely cancelled by disheartening reversals. This time the advances have been largely held and they have become important almost throughout our whole economy instead of being confined to the automotive and related industries as was formerly the case."

Certainly there will be business reverses as well as advances during the next year. Canada's dependence on crop hazards for a great bulk of its income and the imminent labor troubles in the U. S. being only 2 variables which might be mentioned in support of this. But the tremendous momentum of recovery which has been such a feature of recent business; the tremendous pent-up demand for new goods and equipment rendered obsolescent and not replaced during the past 5 or 6 years; and the influence of monetary policy paying the way for a general increase in prices, are but 3 major factors which seem to outweigh Mr. Forbes fears.

Favorable

Carloadings kept on soaring into new high ground for the week ended Sept. 5. The index of loadings reached a new high point since 1931. Loadings were 30% above the same period last year and 5% above the previous week. Not only grain, but coal and merchandise and miscellaneaus loadings all recorded very substantial gains.

Unfavorable

Wheat exports eased slightly in August after the substantial increases recorded the previous month. The total was slightly less than in the same month last year.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
	1936	1935	1936	1935
Transportation—				
Car loadings (Sept. 5)	▲58,512	44,720	1,616,617	1,550,611
C.N.R. gross earn. (Sept. 7)	$ ▲3,659,392	$ 3,127,368	$ 120,360,740	$ 112,355,220
C.P.R. gross earn. (Sept. 7)	$ ▲3,094,000	$ 2,460,000	$ 88,722,000	$ 81,050,000
Business Conditions—				
Weekly index D.B.S. (Sept. 5)	▲115.7	100.6	......	......
MONTHLY DATA				
Business Conditions—	1936	1935	1936	1935
Financial Post index (July)	110.7	102.8	......	......
Transportation—				
C.P.R. net revenue (July)	$ 979,099	$ 1,526,181	$ 7,770,099	$ 7,588,200
C.N.R. net revenue (July)	$ 87,203	$ 1,106,120	$ 2,562,244	$ 3,273,658
Iron and Steel (July)—				
Pig iron production (tons)	34,988	50,513	375,323	310,290
Steel ingots and castings prod. (tons)	68,703	86,101	647,493	474,264
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	6,592	6,265	68,279	63,301
Factory output (July)	8,192	9,471	94,556	99,861
Trucks and Buses:				
Domestic sales* (July)	1,646	1,119	14,802	12,229
Factory output (July)	2,263	3,598	21,867	24,533
Exports (July)	4,015	5,105	34,090	42,320
Construction—				
Building permits (July)	$ 4,602,897	$ 4,396,402	$ 22,103,317	$ 29,036,913
Contracts awarded (Aug.)	$ 15,536,100	$ 17,868,500	$ 111,113,100	$ 112,012,200
Newsprint (tons)—				
Production (July)	274,627	234,266	1,763,890	1,519,149
Exports, tons (July)	234,049	219,461	1,594,342	1,383,009
Sugar (lb.)				
Melting & sales§ (raw)	96,510,000	99,797,793	498,130,110	482,070,853
Manufactured§	93,841,054	95,073,668	480,920,602	479,441,404
Flour (bbls.)—				
Production (July)	1,300,667	991,559	7,828,026	6,134,108
Wheat flour exports (Aug.)	▲387,728	376,562	3,123,805	3,014,739
Trade—				
Retail trade (index no. of sales) (July)	72.5	69.3	....	....
Imports (July)	$ 53,820,904	$ 48,414,397	$ 347,625,647	$ 308,786,790
Exports (July)	$ 84,968,882	$ 64,832,838	$ 509,514,235	$ 416,606,219
Wheat exports (bush.) (Aug.)	▲21,157,268	21,698,284	141,657,362	75,861,440
Employment, D.B.S. Index (Aug. 1)—				
All industries	105.6	101.1	....	....
Manufacturing	104.9	99.8	....	....
Electric Power Output (July)—				
Total monthly (000's omitted)	2,020,855	1,791,543	14,460,934	13,171,637
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (July)	153,897	101,926	806,482	689,091
Boot & shoe prod., pr. (June)	1,721,182	1,756,304	11,042,084	10,664,240
Crude petrol. imp. gal. (July)	121,335,556	133,659,600	598,785,080	594,279,167
Cotton imports, lb. (July)	5,818,214	9,912,771	75,436,770	60,964,650
Raw rubber imp., lb. (July)	6,004,621	2,964,800	29,706,049	32,894,667
Coal imports, tons (July)	1,416,455	1,430,463	6,445,735	6,574,158
Finance—				
Bank debits (July)†	$ 2,893,658	$ 2,545,102	$ 20,140,510	$ 17,761,238
Bond sales (Aug.)	$ ▲27,077,666	$ 121,920,753	$ 831,838,315	$ 436,940,335
Life insurance sales (July)	$ 32,573,000	$ 32,155,000	$ 220,333,000	$ 213,710,000
Automobile Financing (July)—				
Used cars	$ 2,656,701	$ 2,109,499	$ 16,206,076	$ 11,582,065
New cars	$ 2,096,443	$ 2,531,963	$ 20,455,386	$ 15,664,529

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †For 4 weeks to August 8. §000's omitted.

HEADS ACCOUNTANTS

George E. Winter, of Vancouver, B.C., elected president Dominion Association of Chartered Accountants at the annual convention in Toronto. The next meeting will be in Vancouver in 1937.

Foreign Trade

Summary facts concerning the business situation in Latin America as reported by Commerce Reports, Washington, follows:

Prices on Argentine local grain market strengthened by reports of the international grain situation; general exports in July above any month in past half year.

Factors underlying the Brazilian economic situation remained as favorable in August as during any other recent period, with wholesale and retail business levelling off at high points.

Industrial production index continues to decline in Chile, although copper production stepped up and nitrate output is being maintained.

Prospects appear favorable in Peru for economic expansion in coming months, owing to excellent cotton outlook, despite present dullness.

Mexican business returns to normal, following settlement of strike troubles; wholesale turnover reported satisfactory in August.

A moderately good demand for staple products, and active tourist trade prove encouraging to Guatemalan merchants.

Tightening of business in Salvador results from reestablishment of coffee export tax at old level and dullness of present exporting.

Following the seasonal trend, the Cuban commodity market was generally dull, though promising a pick-up in next few weeks.

Business movement in Venezuela during August rose above former seasonal levels.

Summer dullness affecting wholesale and retail activity in the Dominican Republic.

Forward buying in Trinidad evidences hope of early business improvement.

Dutch Potatoes Compete With Nova Scotia "Spuds"

From Our Own Correspondent

SYDNEY, N.S.—Nova Scotia will sell 5,000 barrels less per month of potatoes than ordinarily, it was learned here with the announcement that the government of Trinidad has slashed the duty on foreign grown potatoes by 50%, a step which virtually cuts off this market for Nova Scotia growers.

A temporary scarcity of potatoes grown within the Empire is given as the reason for the drastic tariff cut. The move opens the door again to Dutch grown potatoes, which not only have a more favorable freight rate, but a government subsidy as well.

Balanced Budget Hope of N. S. Gov't

From Our Own Correspondent

SYDNEY, N.S.—Despite heavy expenditure on permanent highway construction, the Provincial Government anticipates a balanced budget at the next session of the Legislature, Premier Angus L. Macdonald told a meeting at Annapolis Royal, N.S.

A total of $5,000,000 spent on old-age pensions had benefitted 16,000 persons since the act went into effect in 1933, the Premier said.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.50	$6.00	$7.35
Hogs	9.50	9.75	10.25
Copper, lb.	.09¾	.09¾	.08½
Cotton, lb.	.1255	.1191	.1065
Rubber, lb.	.1631	.1631	.1118
Sugar, raw, lb.	.0365	.0365	.0350
Silk, lb.	1.67	1.63	1.91
Wheat (Man.) bus.	1.03⅛	.98¼	.90⅝
Coffee, lb.	.08¼	.08¼	.08¾
Hides	.11½	.11½	.11
Weekly Indices			
N. Y. Annalist	128.4	126.4	128.0
Fishers'	84.2	83.7	85.1
N. Y. Journal of Comm.	82.9	82.3	81.3
Crumps (Brit.)	71.3	71.0	65.5
U. S. Labor	81.2	81.5	77.8
Canada (D.B.S.)	75.5	75.6	71.6

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (July)	80.5	80.2	78.8
W'sale (July)	74.4	72.3	71.3
U. S. Labor (June)	81.5	81.1	80.8
Gt. Brit. (July)	82.0	81.1	77.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

Background of Business

Eastern Businessmen Trek Toward Alberta

Millions of Dollars of Installment Sales Seen Wiped Out by Revolutionary Debt Reduction Plan

"May I speak to the general manager?"

"Sorry, the general manager is out of town."

"When will he be back?"

"Not for a week or 10 days—he's in Alberta."

In literally scores of commercial institutions on Eastern Canada this conversation is being repeated this week. Why? Because of the concern with which businessmen "in the know" are viewing the revolutionary activities of the Social Credit party as revealed in recent legislation.

* * *

Installment Selling Hit

At the moment those particularly concerned are firms which sell merchandise on "time." Automobile finance companies, for example, sold $3.1 millions of new and used cars in Alberta during the first 7 months of 1936. No figures are available for prior years, but since July 1, 1932, total sales of motor vehicle dealers in the province (apart from accessories, tires, etc.) have amounted to $50 millions of which probably 60% have been made on the installment plan.

Multiply this for farm implement companies, furniture stores, household equipment, radios and the other major items of merchandise sold largely on the installment plan and the extent of this legislation in its effect on sales becomes apparent.

* * *

Interest Slashed

Significance of the July, 1932, date mentioned above, lies in the new and revolutionary law now in effect (unless challenged as ultra vires) and which states in effect that on all debts contracted since July, 1932, the interest rate shall henceforth be 5% simple interest, "less all sums paid on account of the debt whether in respect of principal or interest since the time when the debt was originally created."

Apart from the cancellation of prior obligations—which is drastic and revolutionary in the extreme—the prospect of any installment purchases being made on a 5% simple interest basis in the future is impossible. Average charges for financing retail sales of this sort range from 15 to 20% on a simple interest basis. Thus if the new law can be upheld as legally sound it would seem to mean placing all business in the province on a cash rather than a credit basis unless a ruling can be obtained regarding "service charges" as apart from interest rates. In this case a complete revision of rates for the province may be necessary.

The Alberta market includes retail trade which over the past 10 years has averaged $147 millions annually apart from wholesale and service transactions.

* * *

Oil Prospects Good

Commenting on the outlets for the oil industry in Canada, Standard Trade & Securities in a recent bulletin reports that despite the reduction in the federal gasoline tariff in May 1936 to 1 cent an Imperial gallon, from 2¼ cents, imports in May under the reduced tariff were only 2.6% of total sales against 2.5% in April under the old tariff. The average price of gasoline in 13 representative cities in the second quarter of this year was 24.2 cents a gallon against 23.7 cents in the first quarter, despite the tariff cut.

Moreover, it continues, Dominion gasoline sales in May were about 8% greater than in the corresponding 1935 months, as compared with a year-to-year gain of only 2% for the 5 months to the end of May. Although average retail prices (before taxes) were about one cent a gallon lower the first half of this year than in the initial 1935 half, relatively stable second half prices are looked for in contrast with the moderate decline a year ago.

Thus, it concludes "gasoline prices for the full year are expected to average about the same as in 1935 and since consumption should be slightly higher, earnings of the Canadian oil industry for the year should compare favorably with 1935 returns."

* * *

Union Membership Down

Trade union membership in Canada at the end of 1935 was 280,704, a decrease of 1,070 from the previous year according to the 25th annual report on labor organization in Canada. This is the lowest figure since 1926 when the total membership was slightly under 275,000. Membership in International Craft Union group showed a gain, however, embracing 81 organizations (compared with 79 last year) and a membership of 139,370, a gain of 5,701.

In addition the report contains statistics and other information concerning central labor organization, delegate bodies and local unions operating in Canada. It gives the names and addresses of the chief officers of local branch unions and delegate bodies in the Dominion and also those of the central organizations with which Canadian trade unions are affiliated. It may be obtained from the Department of Labor at Ottawa.

* * *

Player Typewriter

A new business machine development is the Robotyper, an electric machine which types letters from a player piano roll. The typewriter has an attachment like the one on an automatic piano, perforations in a sheet of paper causing different keys to be pulled down as the paper rolls along. The only difference is that instead of the key sounding music it prints a letter.

It is intended to make writing of form letters easier in that one girl can operate several machines and by typing the name, address and salutation from her list and pushing a switch the typewriters start tapping by themselves, thus completing the roll-record of the letter which is attached to each machine.

* * *

Using Canadian Coal

Nova Scotia coal is moving into Ontario in steadily increasing quantities, and the present year promises to be a record-breaker, thanks to Federal Government aid. For the first time the Hamilton By-Product Coke Co. will mix Nova Scotia coal with American coal this year, and the Temiskaming and Northern Ontario Railway is experimenting with Nova Scotia coal for use in the locomotives.

New Brunswick producers in the first half of this year shipped 3 times the amount under the subvention plan than in the same period last year. The movement of Western coal to Ontario under the subvention scheme was greater in the first half of 1936 than in any previous similar period.

* * *

Trade Totals Differ

Every now and then official trade figures issued by Ottawa each month fail to jibe.

The reason is that about the 15th of each month a preliminary estimate is issued by the National Revenue Department in its publication, National Revenue Review. As a rule export totals are correct, but import returns come in somewhat later and the estimate is often wide of the mark.

A case in point was June totals given out by the National Revenue Review as $61.8 millions whereas the revised and correct figure should be $57.6 millions.

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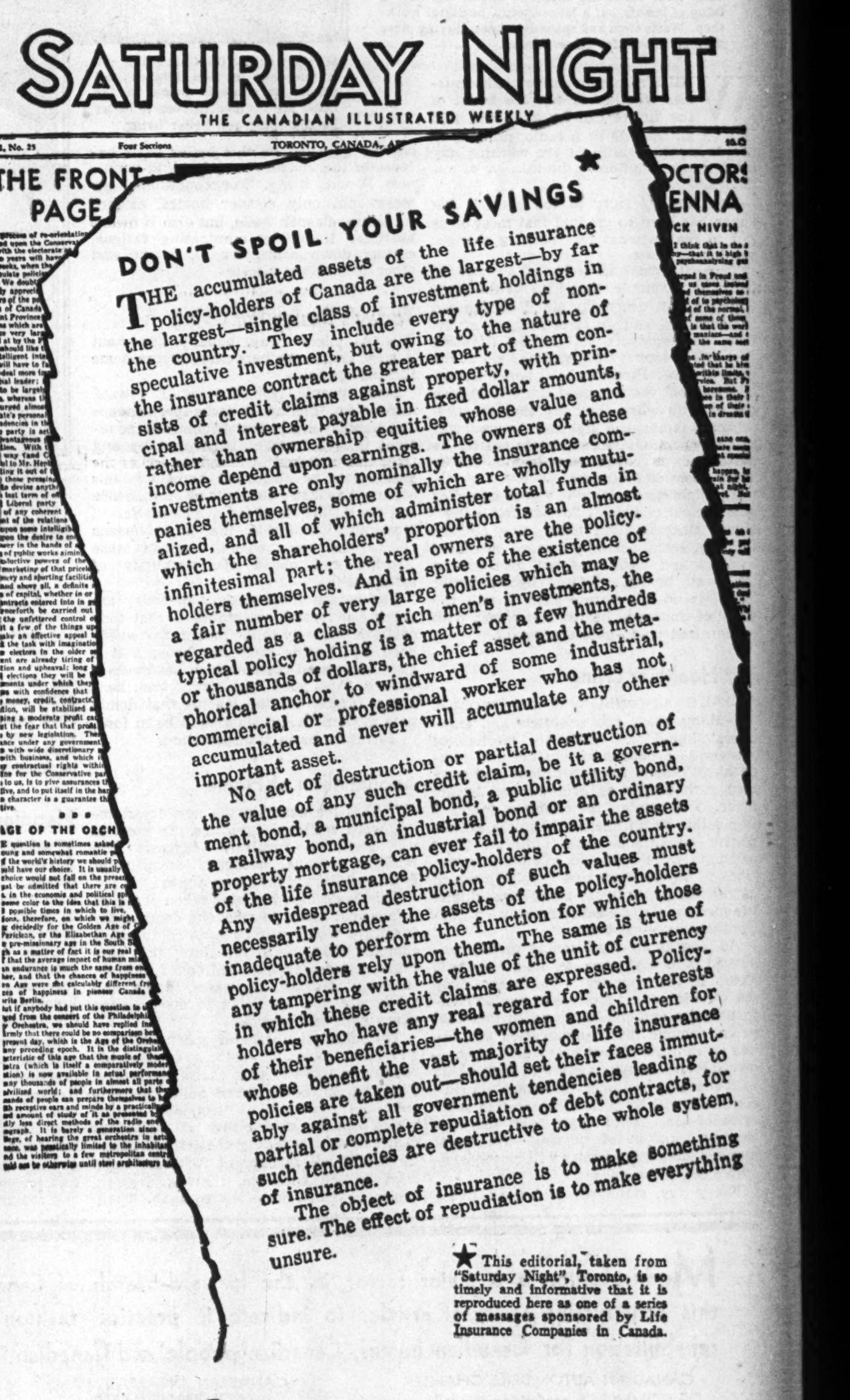

DON'T SPOIL YOUR SAVINGS ★

THE accumulated assets of the life insurance policy-holders of Canada are the largest—by far the largest—single class of investment holdings in the country. They include every type of non-speculative investment, but owing to the nature of the insurance contract the greater part of them consists of credit claims against property, with principal and interest payable in fixed dollar amounts, rather than ownership equities whose value and income depend upon earnings. The owners of these investments are only nominally the insurance companies themselves, some of which are wholly mutualized, and all of which administer total funds in which the shareholders' proportion is an almost infinitesimal part; the real owners are the policy-holders themselves. And in spite of the existence of a fair number of very large policies which may be regarded as a class of rich men's investments, the typical policy holding is a matter of a few hundreds or thousands of dollars, the chief asset and the metaphorical anchor, to windward of some industrial, commercial or professional worker who has not accumulated and never will accumulate any other important asset.

No act of destruction or partial destruction of the value of any such credit claim, be it a government bond, a municipal bond, a public utility bond, a railway bond, an industrial bond or an ordinary property mortgage, can ever fail to impair the assets of the life insurance policy-holders of the country. Any widespread destruction of such values must necessarily render the assets of the policy-holders inadequate to perform the function for which those policy-holders rely upon them. The same is true of any tampering with the value of the unit of currency in which these credit claims are expressed. Policy-holders who have any real regard for the interests of their beneficiaries—the women and children for whose benefit the vast majority of life insurance policies are taken out—should set their faces immutably against all government tendencies leading to partial or complete repudiation of debt contracts, for such tendencies are destructive to the whole system of insurance.

The object of insurance is to make something sure. The effect of repudiation is to make everything unsure.

★ This editorial, taken from "Saturday Night", Toronto, is so timely and informative that it is reproduced here as one of a series of messages sponsored by Life Insurance Companies in Canada.

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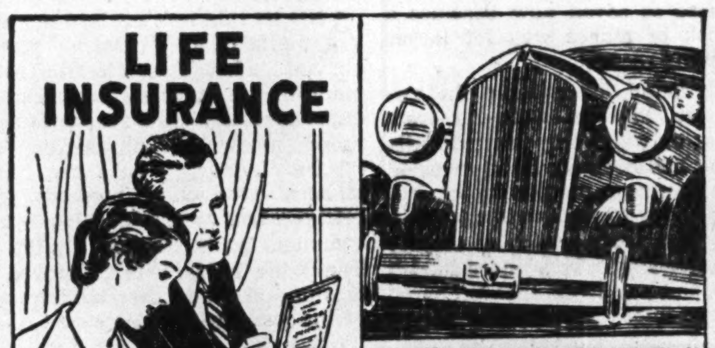
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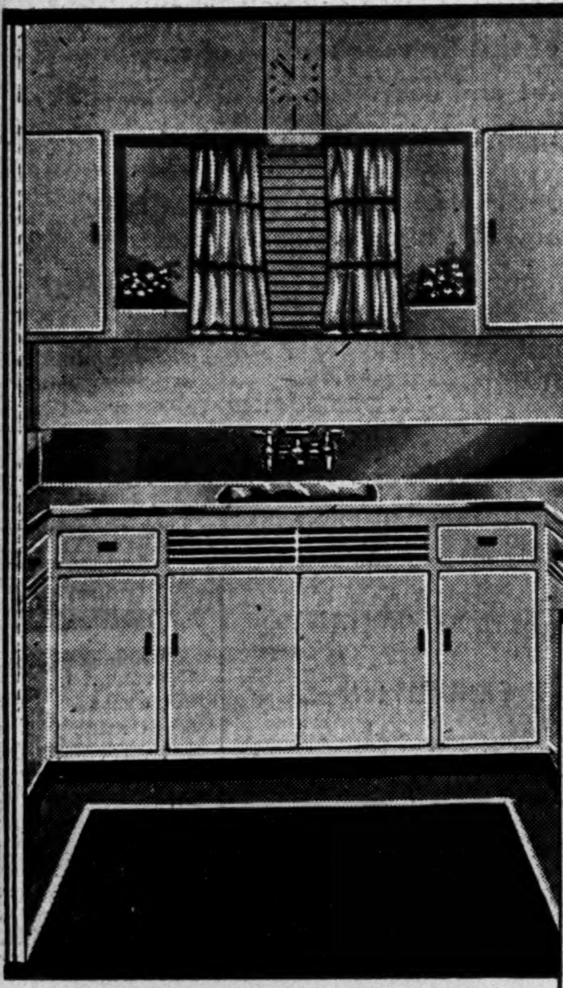
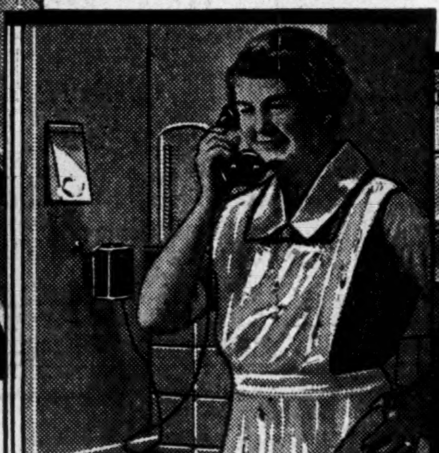
MODERNIZATION at Home

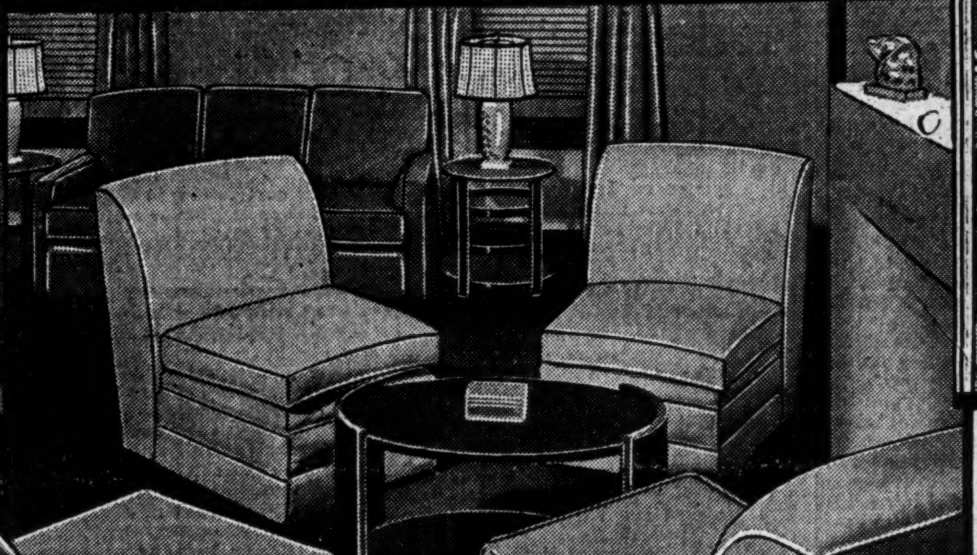
Clean Lines - Clean Colors - Simple Arrangements - Healthful Lighting - Compact Efficiency - - - these herald the Approach of a New Day in Healthy, Comfortable Living. How Science and Common Sense work together to equip the Modern Home.

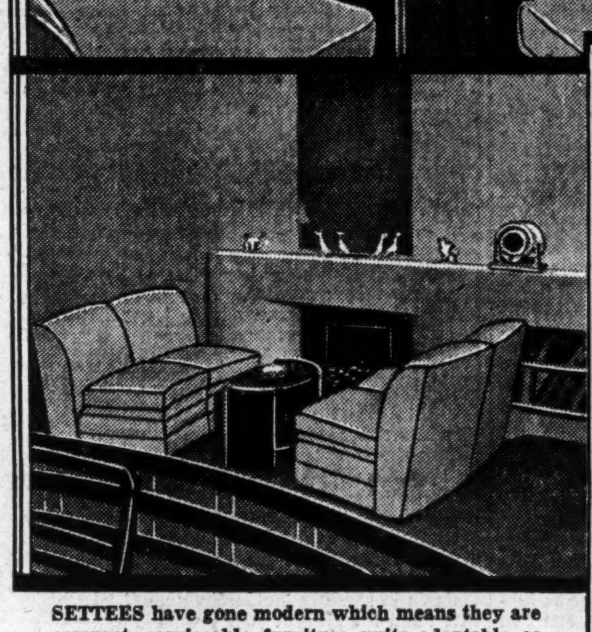


GLEAMING NICKEL and enamel in compact, efficient form make the modern kitchen not only a thing of beauty but a labor-saving, healthful workshop. Waste steps and space disappear, leaving more time and room for other things.

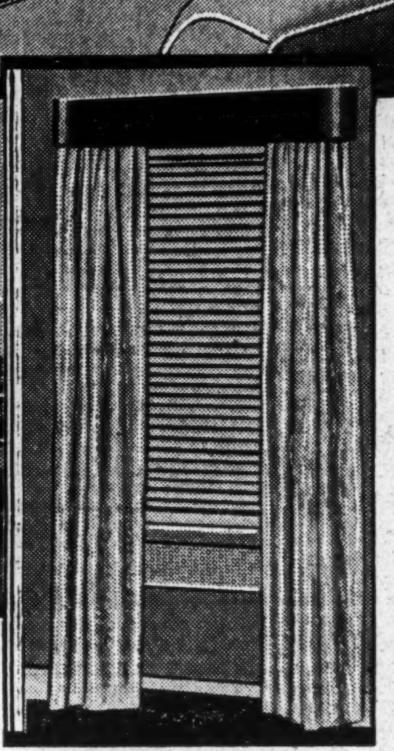


Whether or not it's Cook's day out, a telephone in the kitchen and phones at strategic points in the house are the modern boon to better housekeeping and better living.

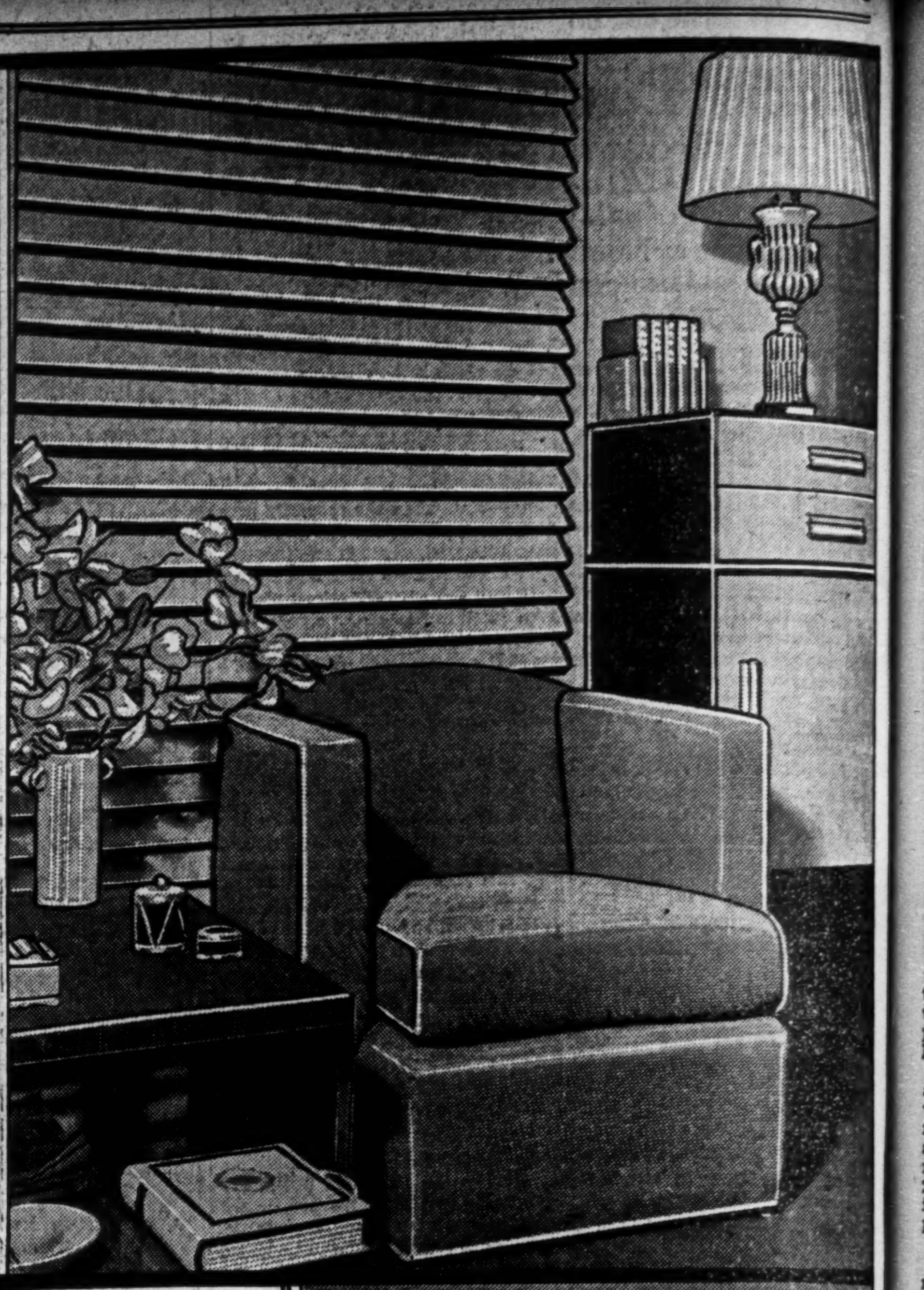


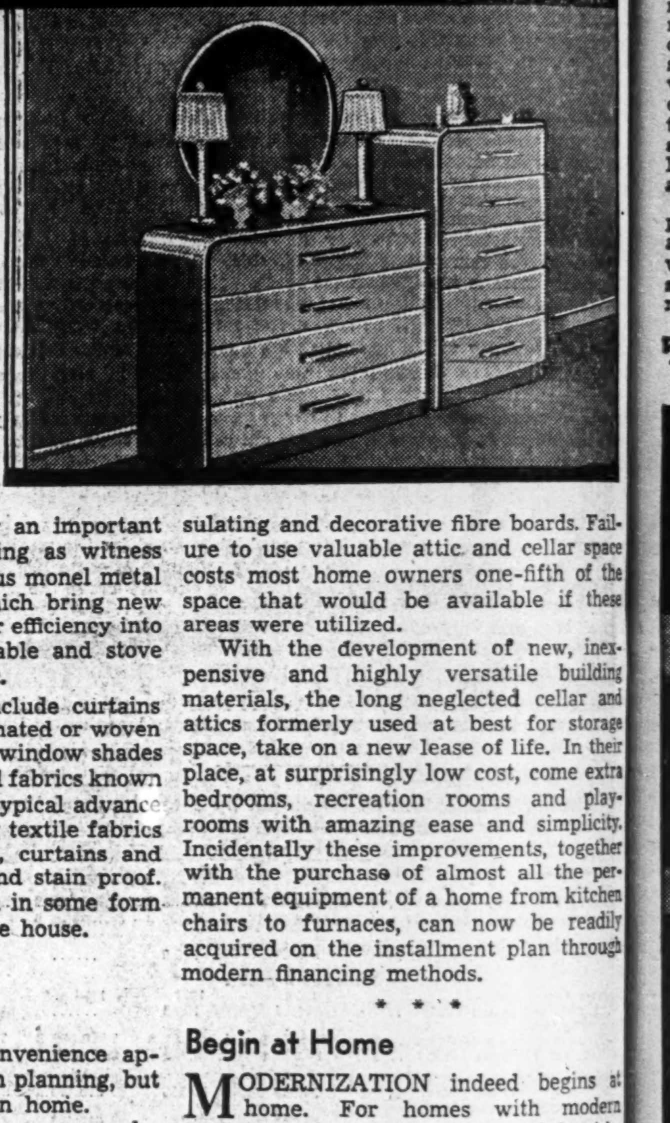


SETTEES have gone modern which means they are compact, serviceable furniture units adaptable as single chairs or as two or three-part Chesterfields. Other features of the lower picture include a frosted glass panel along the top of the combination bookshelf and fireplace, concealing a modern lighting unit.



THIS TIME it is Cellophane woven into curtains, which afford unusual opportunities for dramatic lighting effects due to their high lustre. They are easily cleanable of course.





SECTIONAL FURNITURE is playing a major rôle in the modern room. Above is a combination cabinet and drawer unit which can be separated or changed to fit individual needs.

At right are similar units for the bedroom which can be easily and conveniently handled in all sorts of interesting and useful combinations.

WHILE man's inventive genius puzzles whether or not the house of the future can be built and sold like an automobile or a radio, millions of people on this continent are working day by day to revolutionize the interior of our homes.

The "inside" story of the housing advance has been so gradual that most of us fail to realize what far-reaching changes are taking place.

Thus, it comes as a bit of a shock to learn, for example, that 95% of the electric lamps in use today stand condemned as inefficient and obsolete in light of the new developments in indirect lighting that are sweeping through this field at the present time. Prophecy is at best a thankless task but there is good cause to believe the experts when they say that the new reflector lamps and lighting fixtures will in a short time have completely ousted the old-fashioned fixtures now seen in almost every room of the house.

The lighting example is a good one. For it is typical of today's "design for living." Home modernization today, like modern lighting, leans not only toward increased comfort and usefulness but also toward improved health. "Better light — better sight" is no idle phrase since it tells the story of improved health that comes with modernized up-to-date equipment.

* * *

For Healthier Living

TAKE air-conditioning for example. Many years ago scientists and engineers found an effective mechanical answer to problems of weather and temperature which, for generations had puzzled such people as printers and textile firms. The printer, for example, found it impossible to do fine work unless atmospheric conditions were uniform. Thus attempts were made to eliminate variations in temperature and humidity which caused the paper to shrink or expand, and the modern art of weathermaking—or air-conditioning—was born.

As long as air-conditioning merely improved industrial processes its growth was slow. In recent years it has been linked with the impelling motives of human comfort, health and efficiency and on this tidal wave, demand for its application and use has spread into almost every field of commercial and human activity. Within the next decade, millions of homes on this continent will be built incorporating some form of air control apart from the customary function of heating. An equal number of existing homes will be modernized along these lines.

Every day, standards of human living will be adjusted on this better basis because of the increased comfort and happiness it will bring. For conditioned air means not only cleaner homes, cleaner furniture, cleaner walls, but also it means healthier living by eliminating fatigue, cutting down colds, coughs, grippe and other respiratory diseases.

* * *

Today's Design For Living

IN A quieter way, equally important new things are happening in the home furnishings field.

Some people fear this swing toward modernism, feeling it lacks permanence and stability. No important forward movement is free from extremes but by and large the modernism which is steadily conquering the house furnishing field in this country has many elements of permanence and few evidences of fad or passing fancy. Modernization inside the home means clean lines, clean colors, common sense lighting and above all, simplicity of arrangement.

The reason these designs of today are gaining universal acceptance is that they conform perfectly to the maxim that every good and lasting style has beneath it a good and sound reason which has made it endure. And good lines, proportion, harmony, fitness, are the tenents that dominate modern living, whether it be in food, in furniture or in transportation.

* * *

Sectionalism at Home

TAKE for example the new trend toward sectional furniture. To most of us, sectional furniture suggests the familiar sectional bookcase, occupant of office and library for many a year.

This basic idea has now taken shape in a thousand forms to meet the demand for furniture which can be adapted to small compact rooms with the result that sectional settees, sectional bedroom furniture, sectional shelves, bookcases, desks and tables are now available to meet almost every need and purpose.

Thus a small library or apartment may not have room for both a comfortable settee and three or four chairs for bridge. Today it can be equipped quite inexpensively with two sets of "sectional" settees which can be used either as individual chairs or as an ordinary chesterfield. Similarly with all manner of furniture units such as the bookcase, shelves, dressing tables, cabinets, desks and so forth. These can now be purchased for the modern home either one by one or in groups and once bought can be moved readily to fit any desired space or plan. Throughout, there runs a common motif to bind them harmoniously together.

* * *

Happier Housewives

EQUALLY important changes are taking place in the "useful" part of homes. Years ago, kitchens were large roomy affairs and housewives took pride in their vastness and size. Today the proper equipment will produce better and happier results, will make culinary tasks greatly easier, in a far smaller space. And the extra space so saved now becomes a breakfast nook or makes way for larger dining and living rooms.

The experts found, for example, that regardless of size, kitchens were far from practical. Not only did they learn to utilize space that had been previously wasted and to make the room more compact, but they learned how to reduce steps to a minimum so that work could be orderly and in successive steps. Thus, since food is first received and put away, then prepared and cooked and finally served, they placed working equipment so that these tasks could be performed in sequence. Accordingly the refrigerator and food storage space in a well-planned kitchen is near the back door. The preparation cabinet is between the refrigerator and the sink. The range and serving cabinet or table are near the dining room entrance. The sink is also near the dining room door to receive soiled dishes after the meal.

* * *

Methods and Materials

AND IN this task modern manufacturing methods and research play an important rôle. One electric refrigerator manufacturer reports his product if made experimentally costs six times as much as those made on production assembly. "Quite obviously," he states, "except for modern production methods, automatic refrigeration would cost so much as to command an extremely limited market." The same holds true of stoves, washing machine and all other modern appliances of the well-equipped home.

Modern metals also play an important rôle in efficient housekeeping as witness the place of Canada's famous monel metal and other nickel alloys which bring new beauty, long life and greater efficiency into hot water boilers, sinks, table and stove tops, plumbing fixtures, etc.

Other new accessories include curtains made from Cellophane laminated or woven with textiles, and washable window shades made from pyroxylin-coated fabrics known as "Tontine." Still another typical advance is a new process for making textile fabrics such as chesterfield covers, curtains and drapes, etc., water, moth and stain proof. Plastics are now to be seen in some form in almost every room of the house.

* * *

New Telephone Vistas

AND the question of convenience applies not only to kitchen planning, but to every part of the modern home.

Even the largest home can now be brought compactly together by means of the telephone. Not only is the "upstairs" phone far below the luxury class, but the up-to-date household, whether new or old is taking increasing advantage of the small inexpensive equipment which links bedrooms, kitchen, living rooms and maids quarters by means of this universal communication system.

In new houses especially, it is being found that for the relatively small outlay involved, it is a wise and useful precaution to wire the house initially for a flexible convenient telephone service.

* * *

Forgotten Fifth

THEN there is the "forgotten fifth" which has lately come into its own with the wide use of modern insulating and decorative fibre boards. Failure to use valuable attic and cellar space costs most home owners one-fifth of the space that would be available if these areas were utilized.

With the development of new, inexpensive and highly versatile building materials, the long neglected cellar and attics formerly used at best for storage space, take on a new lease of life. In their place, at surprisingly low cost, come extra bedrooms, recreation rooms and playrooms with amazing ease and simplicity. Incidentally these improvements, together with the purchase of almost all the permanent equipment of a home from kitchen chairs to furnaces, can now be readily acquired on the installment plan through modern financing methods.

* * *

Begin at Home

MODERNIZATION indeed begins at home. For homes with modern equipment and modern ideas of furnishings, furniture, and equipment are better homes to live in. They are healthier homes. They are homes that save unnecessary steps. Homes that are superior and brighter — free from worry, from extra work and unnecessary eye and body strain.

There was a time when leading home furnishing organizations kept "modern" things separately. They were bizarre, even freakish. Today the modern note runs through every article of merchandise, through every sales department, with a clean healthy, leavening influence. And, finally, modern things are no more expensive, in fact in many cases are even less expensive than the things they superseded.

Modernization is a major factor in the forward march of Canadian business. The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian homes, Canadian people and Canadian industry:

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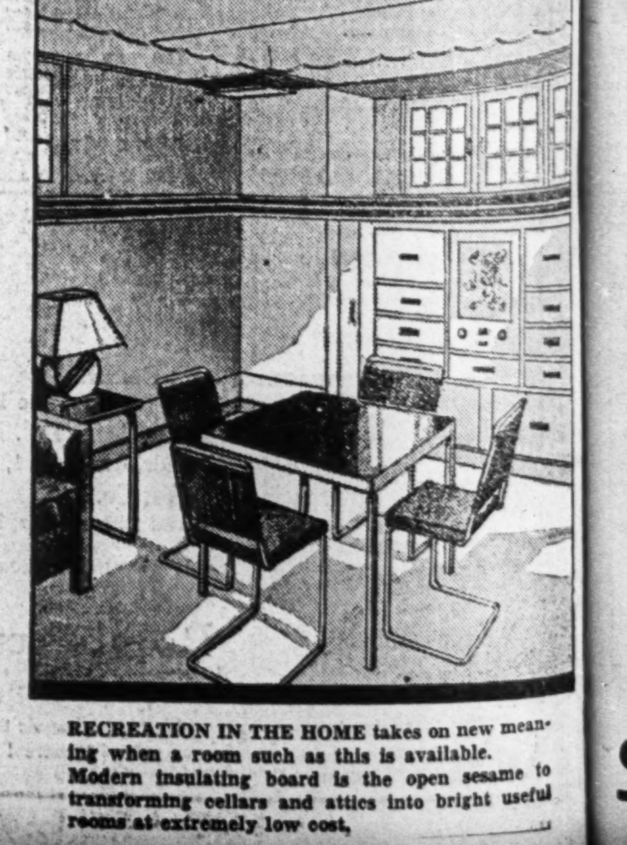


RECREATION IN THE HOME takes on new meaning when a room such as this is available. Modern insulating board is the open sesame to transforming cellars and attics into bright useful rooms at extremely low cost.

Launch Campaign To Tap Rich Modernization Mart

Ottawa Proposes Installment Plan for Purchasing Home Improvements—To Broaden Housing Act

A major offensive against construction stagnation has been launched.

Preliminary federal government plans to boost home modernization, the building of really low-priced houses and the extension of the present Dominion Housing Act to all parts of the country, have been announced.

Expenditures of from $100 millions to $300 millions are envisaged.

The new programme has been drawn up and recommended by the National Employment Commission under the chairmanship of Arthur B. Purvis. It is expected to be ready for parliamentary approval by December and for practical operation well before the time the big construction season opens next spring.

In the meantime, preparatory work with municipalities, construction and building supply companies and organizations, lending companies and local housing commissions is under way. Wholehearted support from such parties must be forthcoming, government officials admit, to ensure success.

Efforts will be made, by the liberal use of field men, to arouse this co-operation. As a result, it is hoped construction and lending companies will organize themselves into groups and push effective publicity.

Briefly the 3 plans recommended for government approval are as follows:

MODERNIZATION

At least $50 millions is to be made available in cheap loans of from one to 5 year durations to cover modernization, renovation, and additions to existing residential property throughout Canada. Up to 15% of the amount loaned by any agency the Government will guarantee approved lending institutions against losses.

This money will be available in amounts up to $2,000 for any individual property, at a discount rate not exceeding 5%. This figures out at a simple interest rate of approximately 10%. It compares with 12 to 20% rate on similar personal and improvement loans available at the present time.

Eliminate Red Tape

The money will be repayable in monthly installments. There will be no service charges, endorsements or other red tape which are usually associated with personal loans. Provided the money is to be used by an owner for permanent improvement to his property it will be easily available and for a period, within the limits mentioned, that is mutually agreeable to lender and borrower.

It will rest with the lending company whether loans are to be made and it is expected that rigid supervision will be carried out to make sure that there is full value for the money expended.

The proposed legislation, as explained by Mr. Purvis, really puts the purchase of home repairs in both city and country on the installment plan basis. It would be similar to present financing arrangements for purchasing automobiles, refrigerators and other appliances.

It is considered possible that in certain localities where depression, drought or other misfortunes have been unusually severe or where building costs are above average, that a still lower discount rate may be arranged with the municipal or provincial authorities co-operating. The intention is to make the scheme as flexible as necessary so that it will apply on a relatively equal basis to the whole country.

Guard Against Tax Raid

Before the actual loaning machinery gets into operation efforts will be made to secure the co-operation of the municipal authorities to ensure that any extensive modernization on property will not be accompanied by increased assessment and therefore heavier taxation. The National Employment Commission apparently feels that fear of increased taxation has been a material factor in holding back schemes of both home modernization and new home construction. Therefore it proposes to secure some sort of an agreement with municipalities guaranteeing the home renovators against increased assessment.

For details concerning the actual home modernization possible under this plan see special article on the next page.

LOW COST HOUSES

Immediate efforts will be made by the Employment Commission to have urban municipalities provide for adequate zoning and city planning through the setting up of housing or building commissions. This done it is hoped to co-ordinate all housing plans of Dominion, provincial and municipal authorities. In addition encouragement will be offered toward participation in such plans by private capital and probably by leading companies in any particular community.

The basic policy will be to make low cost money available to public and quasi-public bodies that will tackle the problem of workingmen's homes. Rates as low as 2½ or 3 per cent are unofficially mentioned.

Where the private investor is already providing a cheap and adequate housing there will be no undue Government competition.

Seek Low Cost House

It is understood that the authorities are not satisfied that the Dominion Housing Act has really reached the field of the $2,000 to $3,000 class and that special efforts will have to be made to stimulate such buildings. It has been admitted that plans have been too elaborate and as a result costs are too high. Something much cheaper, more simple, and with a lower maintenance cost is believed necessary.

The Employment Commission in co-operation with the Dominion Housing Act hopes to be able to work out some scheme for the provision of such low cost houses. When accomplished regulations will be drawn up to prevent occupation by those people able to pay "the full economic rent."

No Down Payment

While details have not yet been announced it is expected the final provisions in this low-cost house programme will aim at providing low rental dwellings and also ownership for that class of people which finds it impossible to provide any extensive down-payment. The Government, it is expected, will work out some sort of aid which may have the effect of partially subsidizing of rentals, or assuming the risk in a purchase which is usually covered by the down-payment of from 10 to 20%.

In this connection it is understood that the policy of the British Government in regard to low priced housing, and the various plans of the British building societies which have financed much of the recent expansion in low cost houses in the United Kingdom, will be closely studied. Detailed recommendations will probably await such investigation.

* * *

D. H. A. AMENDMENTS

While details are not yet available the National Employment Commission will probably recommend certain revisions in the Dominion Housing Act tending to make that legislation more national in its application. For many months after the Act became operative practically no loans were made in the western provinces and it is understood that to date there has been practically no money made available in the smaller towns, villages and in the rural areas. It is also understood that much of the money loaned has gone into the commercial type of residence such as apartments.

Wider Area Served

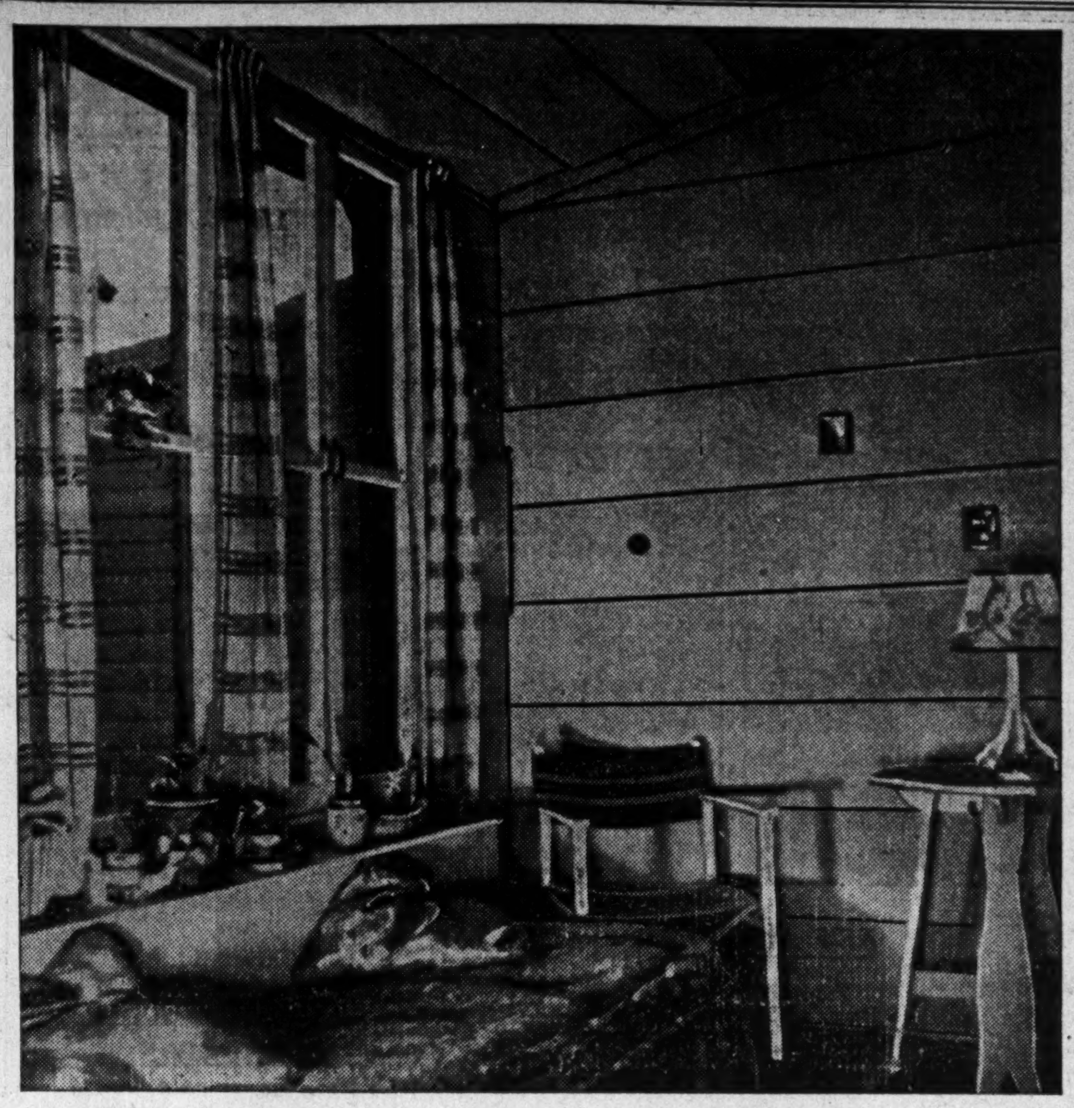
Plans, it is understood, will be developed in co-operation with the lending companies so that loans under the Dominion Housing Act will be made available in the areas not now served. Possibly the Government may assume a larger share of the risk in such loans or take over some of the burden of inspection. Villages and towns in which there is no branch of approved lending company have been overlooked, it is understood, for the simple reason that the lending companies could not afford to extend facilities so far from their agencies. A slightly higher rate of interest in such cases, the increase to be absorbed by the Government, might be another solution.

It is not expected, however, that the Act can be revised in such a way as to cover satisfactorily farm house construction. In any case, the authorties are understood to be of the opinion that farm houses will come more largely under the renovation than new construction class and money will be available for this purpose under the new modernization loans.

Loans for Stores Believed Likely

Renovation loans for stores, The Financial Post understands, will likely be included in the final recommendations of the National Employment Commission. In official statements so far only cheap money for home improvements has been mentioned. But in similar programmes of this kind in the United States loans for store modernization, particularly in permanent equipment, bulked large.

In regard to loans for office and factory buildings renovation, however, The Post understands there is little likelihood of any government action, because it is believed there would be no real demand. In United States loans up to $50,000 were made available for this type of improvement with practically no takers.



LAUGH AT WINTER

Proper insulation and wall board make the sleeping porch an all-year-round affair. Such remodelling or even the erection of the entire porch will come within the provision of the new home renovation loans recommended by the National Employment Commission for approval by parliament this winter.

So also will come all sorts of permanent improvements including rumpus rooms in, the basements, dens in the attic, conservatories and additional bathrooms, bed rooms, etc. In fact by guaranteeing lending institutions up to 15% of the total loss on loans up to $50 millions the Commission hopes to start a wave of expenditure on home improvements which may run into several times the amount mentioned.

No Matter What Your Furnishings May Be

Oriental Rugs

Are And Will Always Be More Popular Than Ever

The keen interest shown recently by many furnishers of artistic homes in genuine Oriental Rugs is sufficient proof that Canada's art-loving public have not lost their appreciation of the **Oriental Floor Coverings,** which for generations have embellished the palaces of the East and the leading homes of North America.

We cordially request inspection of our New Fall Importations of Fine Oriental Rugs.

34 King St. E. **BABAYAN'S** LIMITED Cor. Victoria St.

Building Supplies Show Big Gains

Production of most raw building products continue to show increases in Canada. For the first 6 months of 1936 cement production stood at well over 1.6 million barrels as compared with 1.3 million for the same period in 1935 and about the same in 1934. Every month of the current year so far reported shows substantial gains over 1935, the increase in June to 559,000 barrels being particularly pronounced. During 1935 about 434,000 barrels were produced.

Production of lime also crept up to 204,000 tons being produced in the first 6 months as compared with 193,000 in 1935 and 183,000 in 1934.

Clay products also showed a gain, total output for the first half of 1936 being valued at $1.26 million as compared with $1.15 million for the corresponding period in 1935.

Asbestos production of 120,000 tons showed a gain of approximately 50 per cent over the first half of 1935.

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Will give you the finest automatic oil heating—Save you from 12% to 37% on your fuel bills—and provide hot water the year 'round at low cost!

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DON'T go through another winter without a General Electric Oil Furnace. It's so automatic it never needs attention — and maintains any desired heat in your home! So dependable it will end all your heating worries for years to come! So economical that it "traps" heat usually lost up the chimney — and saves you money on your fuel bills! So compact and clean that it makes possible a bright, cheery recreation room in your basement!

P-136

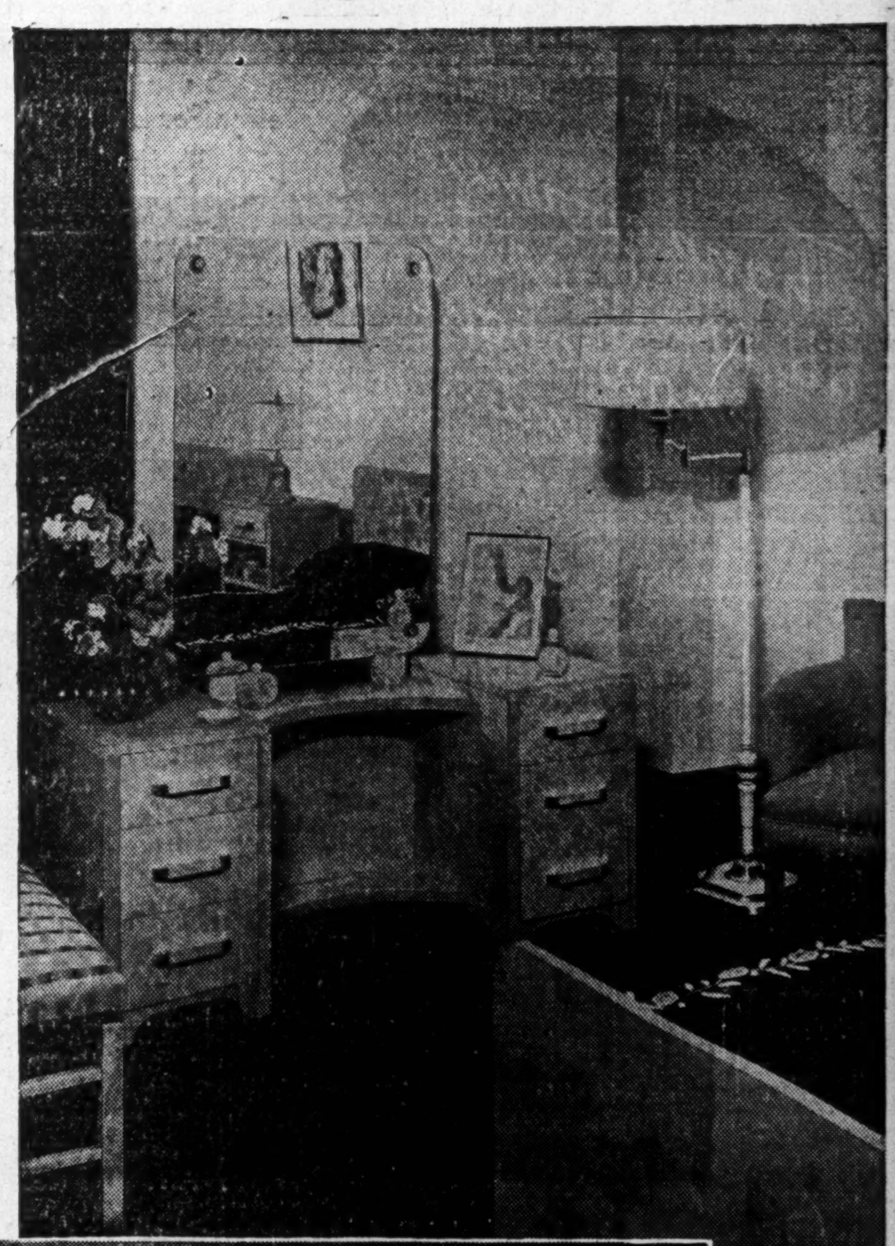
CANADIAN GENERAL ELECTRIC CO. LIMITED

Blondes are preferred

IN FASHIONABLE FURNITURE

So it is significant and interesting that blonde woods figure so extensively at Eaton's-College Street. The designs are delightfully simple, depending for effect on their colour and that rhythm of exquisite proportions which makes classics, furniture that brightens life and is very much in tune with the feeling for backgrounds in clear light colours.

You will find quite an array of suites and small living room pieces, in blonde maple, primavera, walnut, acacia. Best of all they are marked at specially low prices.



IMPORTED BEDROOM SUITE of blonde acacia wood showing beautifully marked veneers, and touches of gilt on the handles. Dresser and chests are plain like the dressing table, the former with large square mirror. Beds can be seen in the mirror, five pieces $465.00. There's also a chair $29.50, to match the stool on the left $19.00. Night table is $33.50, coral arm chair $17.50.

FOURTH FLOOR

OPEN STOCK DINING SUITE of blonde prinzwood, with pieces designed to suit the small apartment dining or dining-living room. Though they are slimmed down, the larger pieces show most convenient interior construction, table $59.50. Chairs each $18.75. Sideboard $69.00. China cabinet with sliding glass doors $79.50. Serving table like a miniature sideboard $48.50.

FOURTH FLOOR OR THRIFT HOUSE MAIN FLOOR

EATON'S-COLLEGE STREET

To Stimulate Modernizing Older Homes

Government Guaranteed Loans for All Permanent Improvements

SEE BIG EXPENDITURE

By GORDON L. SMITH

Owners of existing real estate, ignored entirely by the Dominion Housing Act, are now promised federal assistance. Under the new low cost renovation loans, as recommended by the National Employment Commission, these people are going to have the opportunity of bringing their older houses up to date.

Hitherto they were simply on the sidelines, watching modern D. H. A. houses arising on either side of them, and the value of their equity shrinking in consequence. But after Parliament passes the necessary legislation next December or January, cheap money will be available through approved lending institutions. The installation of modern plumbing, heating, lighting, air-conditioning, the adding of another wing, insulation, finishing the attic, painting, decorating and other permanent improvements will then be possible on the monthly payment plan.

Opens Huge Market

The potential market opened by the new policy can only be described as staggering. Roughly there are 1.8 million homes in Canada.

At least one third of these have not been painted inside or out within the last 5 years.

Nearly half are without interior plumbing let alone even a semblance of the kind of modern plumbing now available.

Only a fraction are properly insulated and as a result waste from 15 to 40% of the fuel used to heat them.

At least 25% or almost half a million are in urgent need of some major improvement such as a wing or the addition of another room, a roof, a verandah or a garage.

Nearly a million lack even the most primitive system of central heating while less than 1% have air-conditioning.

Must Spend Soon

It is estimated that $50 apiece, or a total of close to $100 millions, could be spent immediately on these existing homes in paint, wallpaper and roofing alone. And it could be spent to good advantage. In fact, competent observers believe that if such a sum for such a purpose is not spent soon, depreciation will double it.

Some of the existing real estate in Canada, of course, is past redemption. Housing commissions have pointed out repeatedly that for the good of the country, these old shoddy buildings should be razed.

But there are at least 1.5 million homes well worth salvaging. If all, urban and rural, apartments as well as single family dwellings were to be brought up to even a moderately modern standard, something close to $500 apiece or a total of $750 millions would be required.

This is the sort of market the new recommendations of the National Employment Commission hope to tap. Only permanent improvements permanently attached are to be considered. But in addition if anything like a complete modernization programme is attempted it will be accompanied by another expenditure of at least half as much for detached furnishings and appliances.

Generates Buying

When the average man pays a contractor $200 for a painting, building, plumbing or heating job, he realizes that this is only half of the money that is going to be necessary. There are going to be extras.

New furnaces usually mean new partitions in the basement, probably new painting and other decorating upstairs. The latter in turn is often followed by an order for new curtains, Venetian blinds, new furniture, new electric fixtures. An insulated attic or a basement recreation room is inevitably accompanied by an expenditure for the necessary furnishings. And so for every $100 millions of the $750 millions potentially possible that may be spent on home renovation at least $50 millions will also go into furnishing and detached equipment. Otherwise maximum use or enjoyment of the new renovation is not possible.

Basement to Roof

From basement to roof existing homes may feel the influence of the new money the National Employment Commission hopes to stimulate by partially government-guaranteed loans. Any worth-while permanent improvement will be considered.

It may be a new floor for the basement, or new heating equipment, air-conditioning, new wiring, or a recreation room. In the rural areas indeed it may mean a full-size basement under homes where only the kitchen cellar exists at present. On the ground floor conservatories, kitchen plumbing, verandahs, or a new wing would be logical expenditures and also panelling, new ceilings, new windows or caulking. Above a modern bathroom or an extra one, sleeping porches, an additional room may be sought while attics may be finished.

For the house as a whole, painting, decorating, roofing, new wall finishing and insulation are expected to absorb much of the new money offered. With the last named an entirely new field is developing. Here for the first time plenty of cheap materials are available, the proper use of which definitely cuts down fuel bills by an average of 25% and relieves summer heat as well. And Canada is a cold country from December until March and a hot one in July and August.

Protect Investor

Proper expenditure for modernization not only offers protection to the individual home investor but is a safeguard at the disposal of the owner of apartments or rentable houses as well. Now cheaper money and monthly payments are to be arranged. Increased income from greater occupancy and higher rentals following modernization can be turned back in part each month in payment for the loan. In fact a definite portion of the increased rental money could be so allocated.

Two new points in the new proposals deserve further stress.

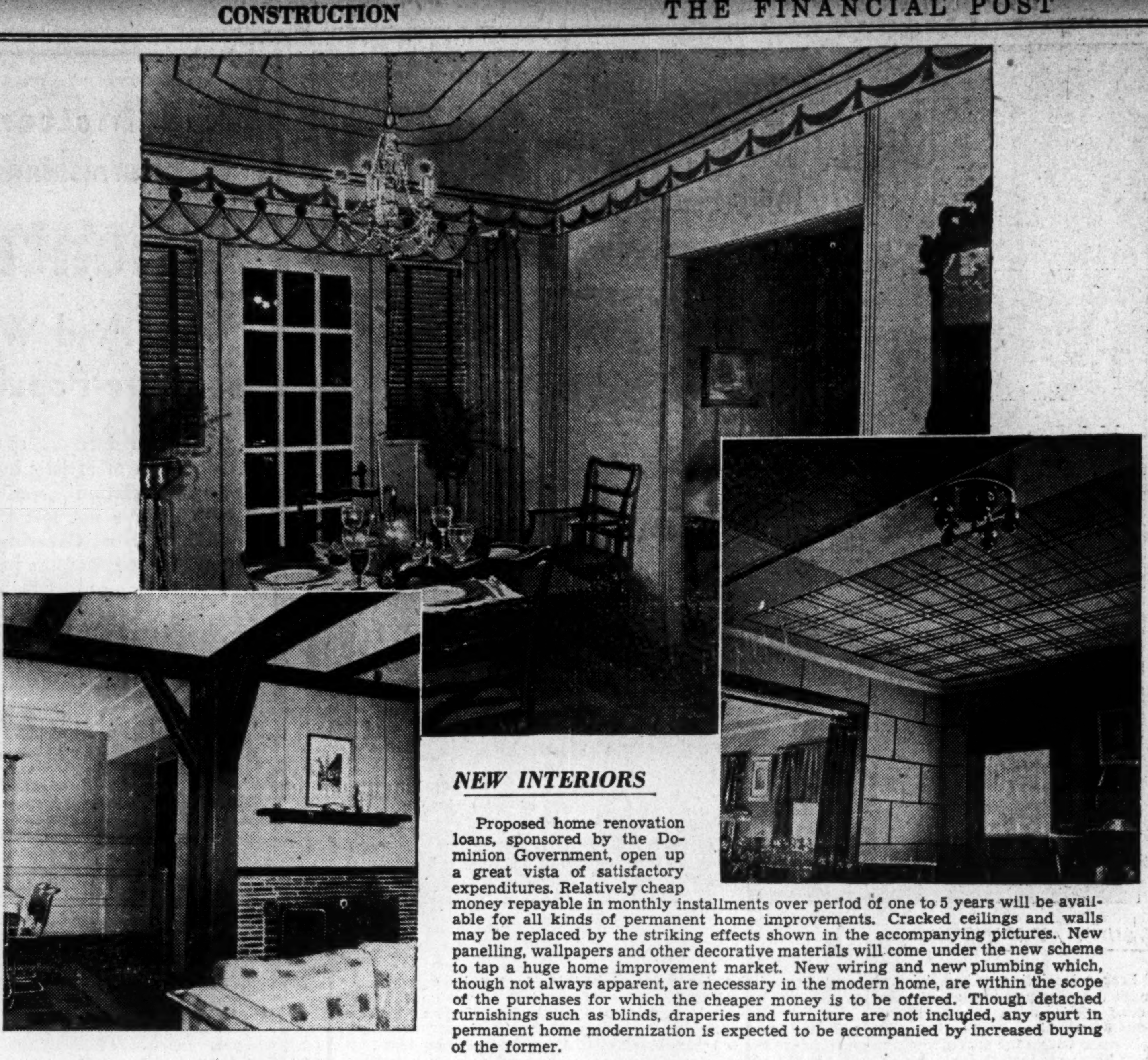
At present, it is true that some permanent improvements may be purchased on the installment plan and at what is considered a fairly moderate carrying charge. But the National Employment Commission proposes to extend the installment plan to cover practically everything in the nature of permanent home improvement. Anything necessary to bring an existing dwelling up to date, whether built within the last 10 years or century, will come within the range of the new money, provided, of course, lender and spender can agree that the purchase is justified and the work is going to be carried out.

Not only is the present very limited service to be extended to all branches, but carrying charges are to be reduced. The proposed 5% discount rate figures out at less than 10% simple interest and it is considered possible that a still lower charge may be eventually worked out.

Check Assessment Raise

The second point is the proposed safeguard against increased assessment and taxation. In the old days a new coat of paint was the signal for a raise in the assessment. Now it does not even take a new coat of paint to have valuation increase, at least in the eyes of the municipal authorities. No matter how the actual real estate value might decline there would be no slump in assessment value. Indeed the 2 trends have progressed to such an extent that in some localities at least, assessment value has risen above actual sale prices.

Now the National Employment Commission has decided to take action. Realizing that the home owner may hesitate to spend $500 on improvements when he knows that such will boost his assessment by the same amount and his taxes by $10 to $20 per year, municipal authorities are going to be asked for co-operation. Guarantees will be sought against increased assessment following modernization and possibly also some promise of reductions from the high levels at present prevailing in many urban centres.



NEW INTERIORS

Proposed home renovation loans, sponsored by the Dominion Government, open up a great vista of satisfactory expenditures. Relatively cheap money repayable in monthly installments over period of one to 5 years will be available for all kinds of permanent home improvements. Cracked ceilings and walls may be replaced by the striking effects shown in the accompanying pictures. New panelling, wallpapers and other decorative materials will come under the new scheme to tap a huge home improvement market. New wiring and new plumbing which, though not always apparent, are necessary in the modern home, are within the scope of the purchases for which the cheaper money is to be offered. Though detached furnishings such as blinds, draperies and furniture are not included, any spurt in permanent home modernization is expected to be accompanied by increased buying of the former.

Algoma Manufacturing Still Heavier Piling

Steadily continuing its policy of diversification Algoma Steel announces the rolling of a still heavier type of piling. This with the 2 lighter types announced in July now gives the company a range claimed suitable to all ranges of Canadian climate and conditions.

Improvements Bring Tenants Flocking Back

Low-Cost Modernization Takes Apartments Out of Red Ink

PAINT IS ALLY

Modernization is made to pay real dividends, and big ones, by Dorothy Draper, of New York, in handling run-down real estate. In the last few years Mrs. Draper, who describes herself as "a real estate stylist," has developed a big business in renovating apartments which, previous to her treatment, had been distinctly in the red ink class.

Not only were these old buildings running far behind each year but in most cases their owners had become reconciled to this condition. Their only real hope lay in razing the property and either selling as raw land or erecting new buildings.

Then came along Mrs. Draper and with lively imagination, assisted by paint in sharply contrasting colors, the buildings were made over. Vacancy was replaced by a waiting list and rents stepped up as much as 100%. What Mrs. Draper has done for New York real estate might well apply to many Canadian cities—particularly with old blocks of buildings in the older centres.

An example of Mrs. Draper's technique is described by Business Week. One group consisting of 11 buildings had an average vacancy of 33%. The few tenants that were there had the bad habit of moving out without previously sending a cheque to the landlord. Apartments rented for around $25 per month.

Mrs. Draper was called in and spent $15,000 with the result that occupancy went up to 100% and a waiting list appeared. Rents were increased from $25 to almost $100. Property was transferred into an income paying class and an asset to the neighborhood.

Mrs. Draper improved the old-fashioned plumbing arrangements. She made some changes in doorways and removed the heavy facades on the front of the building. These were her major expenses.

The other, and more spectacular, consisted in a new coat of paint for the front of the building with contrasting color for sashes and other trims. New doors were added in contrasting colors, halls were brightened by light paint and the backyard was changed into a garden vista which made a proper foreground for a view of the East River. Gay wallpaper lightened the walls and floors were carpeted to match.

Shiny black paint with a white trim is favored in the Draper rejuvenation projects, and also black rubber flooring, indirect lighting and striking colors for outside doors.

Modernization in Construction

For many years, standard practice in modern construction has included insulation in walls and ceilings, as well as fireproofing and soundproofing. All these features are provided by Gypsum products. Gypsum, Lime and Alabastine, Canada, Limited, have been pioneers in these modern developments. Through scientific research and experience Gypsum products have been developed to a high degree of efficiency.

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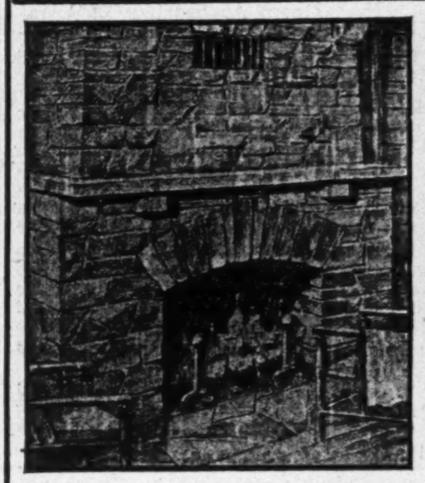
Canning Products Scarce

Basket manufacturers in the Grimsby, Ont., area have curtailed operations to some extent in view of the crop situation. Canning factory operations have not been steady due to scarcity of fruit and vegetables.



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. . . is the name Sherwin-Williams

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- **S-W LIN-X CLEAR GLOSS.** A brilliant clear finish of granite-like resistance to wear, for wood floors, linoleum, etc.
- **S-W ENAMELOID.** The guaranteed high-gloss enamel for outside and inside use.
- **S-W SEMI-LUSTRE.** The amazing guaranteed washable enamel for woodwork, walls, furniture and radiators. In lovely pastel shades that create charming rooms.

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Write to the Sherwin-Williams Decorative Studios for interesting, free booklet, "The Joy of Color," or advice on any question of paint application, color harmonies, etc. Address your enquiries to Decorative Studios, P.O. Box 2640, Montreal.

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The kitchen that uses GAS fuel for cooking and refrigeration, can really be so called.

Note the MAGIC CHEF gas range with its up-to-date features of time and heat-control for the oven, its automatic lighting, its beautiful finish in chrome and shining porcelain enamel; and the silent GAS REFRIGERATOR with all its 1936 conveniences and improvements.

TO THOSE ABOUT TO REHABILITATE
Begin at the kitchen, and then throughout the home get all the advantages of GAS, the modern, all-purpose household fuel.

THE CONSUMERS' GAS COMPANY
55 Adelaide St. E. 2532 Yonge St. 732 Danforth Ave.

See Air-Conditioning As Vital Selling Point

Present Day Modernization Plans Must Consider New Development — Big Canadian Field Due to Wide Temperature Changes

If a new home is being planned or an existing structure is to be modernized air-conditioning must be considered. Future sale of the property may easily depend upon this one point. In United States such equipment has advanced well beyond the innovation stage. And in Canada with its wider variation of climate, its longer season of artificial heating, it would seem that the new development will have an even wider appeal. Moreover under the recently announced Dominion Government house modernization scheme, low financing is possible.

Winter More Important

For air-conditioning is not merely a new system for modifying the torrid heat of summer. True such stores, restaurants and theatres so equipped last July had no difficulty in attracting patronage; but heat waves in Canada seldom last more than a week or so, whereas the average householder is certain his furnace is going to eat coal, gas, or oil for at least 6 months every year. And it is during this period that the big necessity of air-conditioning occurs. It is during this period of man-made weather when proper temperatures, proper humidity and clean air are essential.

Must Replace Nature

During most of the summer and in the late spring and early fall, when the windows are open, nature takes care of the weather in most homes. Then under average conditions one can depend upon being fairly certain that the air is circulating freely and that humidity is at the right point. But what about the other 6 to 8 months when the furnace man is in control?

What is to prevent the air from becoming too dry and thus encouraging colds, cracked furniture and split wallpaper? What is to prevent dust circulating around radiators, again causing colds and smudging walls, ruining curtains and generally adding to the burden of housekeeping?

Dry Air Costs Money

When the air is at the right point of humidity, the average person finds an indoor temperature ranging from 65 to 70 degrees quite comfortable. But decrease that humidity and it is necessary to stoke up another 5 degrees and incidentally send fuel bills up from 5% to 10%.

With homes properly insulated, reputable manufacturers of air-conditioning declare that it is possible to control the weather inside the house for 12 months in the year. At last Mark Twain's plaint that nobody does anything about the weather but talk has been answered. Somebody has done something about it.

But hand in hand with air-conditioning must go insulation and by that is not meant a thin strip of board, but a real job covering all exterior walls and roof or attic floor. Then, it is claimed, not only can the winter house weather be brought under absolute control, but both insulation and air-conditioning equipment paid for out of actual fuel savings.

Printers Started It

What started this air-conditioning now so popular? Credit oddly enough goes largely to printers and textile workers who found that atmospheric conditions, unless they were uniform, seriously interfered with the processing of their materials. Paper, for example, would shrink or expand according to variations in temperature and humidity, ink was affected and various materials used in textile plants lost their efficiency under changing air conditions. Fans, furnaces, and other methods were used to control air in factories long ago, but a more recent and wider development of modern interior weather making comes from the efforts of engineers to meet impelling demands for human comfort, health and efficiency in the home as well.

Leading up to the modern development of air-conditioning was the link of the railway passenger car. Everyone remembers the smoky, cinder-filled, stifling atmosphere of passenger cars, common on all railroads until 1930. By 1934 there were 2,500 air-conditioned passenger cars operating in the United States, but few in Canada. Last year, however, the movement spread to Canada. and now practically all sleepers, diners and chair cars are so equipped.

Competitive pressure was largely the reason for this development and in much the same way air-conditioning of homes has expanded at a terrific rate, whether only to "keep up with the Joneses" or for saleability of the homes.

Three Systems

It is possible today to install either a summer or winter air-conditioning system, although the advantage lies in a complete installation which controls atmospheric conditions in all seasons, and builders consequently favor the full installation as an important asset in marketing the building.

Air-conditioning is, of course, a means of comfort, but it is also a health factor of major importance. To the houseworker it is a boon through its cleansing-filtering qualities which contribute not only to healthy living conditions but prevent accumulation of dust on furniture, draperies, rugs and other textiles. Wooden furniture dries out and cracks if left in improperly humidified air, but air-conditioning prevents this and saves upholstery bills.

Has Six Functions

Modern air-conditoning installation performs 6 functions in all-year service. These are heating, cooling, humidifying, de-humidifying, circulation and purification. A winter system heats, humidifies, purifies and circulates the air. A complete summer installation cools, de-humidifies, purifies and circulates air. Circulation and purification are, however, usually common to both summer and winter air-conditioning systems.

Heating units are, of course, needed in all Canadian homes, and air-conditioning has been developed to operate with a heating unit using coal, coke, oil or gas. In the same way that heating costs vary in location throughout the Dominion, the cost of air conditioning varies with material and labor costs and the type of house. Quotations range from $300 to $12,000, but in a broad sense there are 2 ways in which air-conditioning can be installed. "Central systems" and "unit" air-conditioners are the two main types.

Central or Unit Systems

In the case of "central systems" the unit is usually built into the heating system and can be adapted to any type of fuel. Electrically driven fans circulate the air and filters purify it, while air washers and humidifiers are integral parts. A refrigerant is used for cooling in summer and may also be used to govern the amount of moisture extracted from the air.

Unit systems on the other hand can be used to perform any or all functions of complete conditioning. The latter is self-contained and is effective primarily in the room area which it is designed to serve.

As a rule, unit systems do not attempt to "purify" the air, but units are available which, connected to the heating system, will fulfil all 6 functions of a complete installation. Units of this type cost in the neighborhood of $1,000 each, but units can also be bought from $100 to $300.

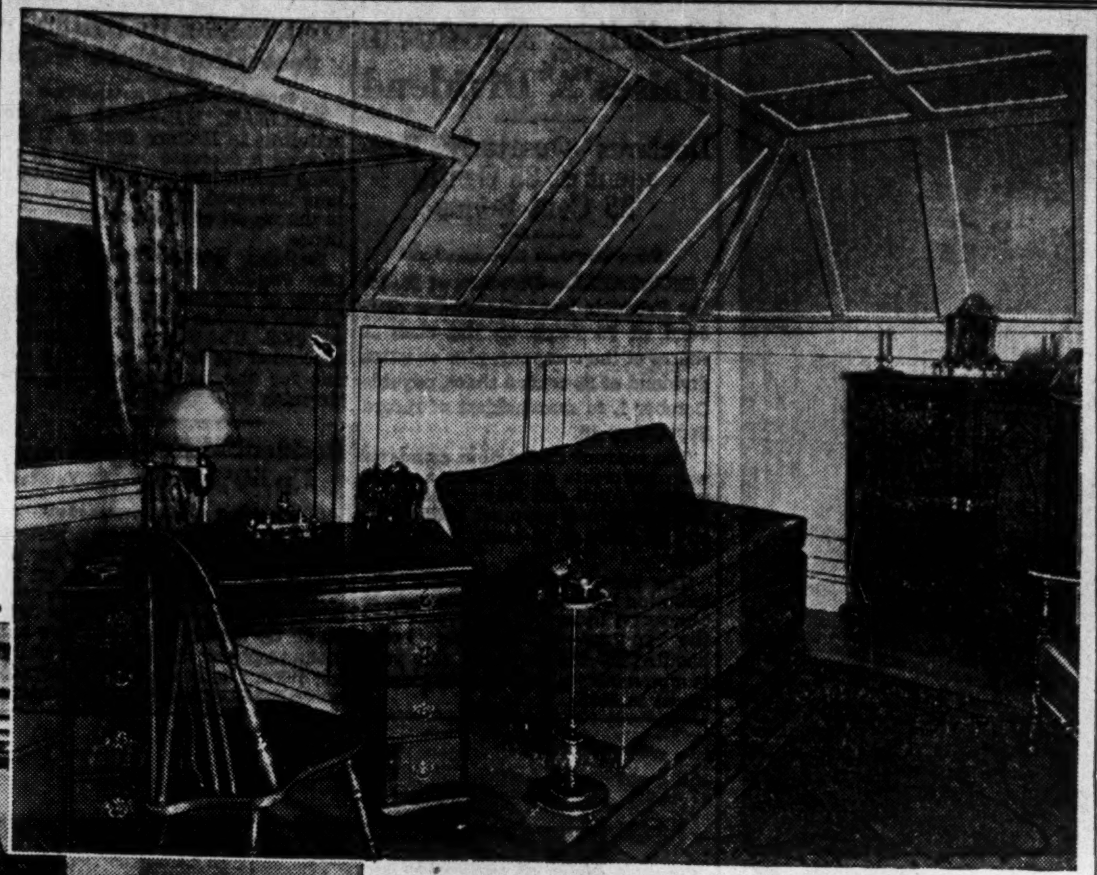
May Install Gradually

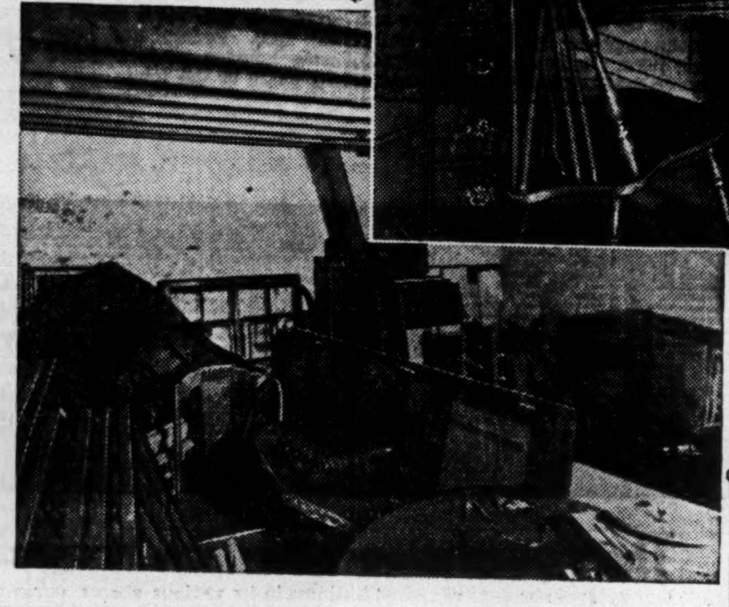
For the home owner operating on a budget, air-conditioning units for winter use and of high efficiency can be installed as an initial step and later augmented by the addition of an efficient summer air-conditioning system, either the central or unit type. If unit types are used, these may be adapted to cool living rooms by day and bedrooms by night during summer.

Operation of winter units consists of drawing air from outside the house and heating it as it passes through the heating apparatus. It is then supplied with the proper degree of moisture and circulated throughout the house. "Used" air is drawn out of the rooms and filtered through ducts before being combined with fresh air from outside and returned to the interior. Winter air-conditioning units can also be used in summer through employing the circulation device and cooling with water or refrigerant in the cleaning chambers.

With New Homes

Adequate provision must be made in new houses for air-conditioning equipment. Installation is probably the primary requisite for efficient and economical operation. In cases of older houses engineers do not recommend an obsolete heating plant be retained but advise it is more economical to discard it and install the air-conditioning unit as a whole.





NEW ROOM ADDED

Attractive panelled wall board makes perfectly feasible the provision of an extra bedroom or recreation room in junk crowded basement or attic. Cost also is low and financing can be arranged on the installment plan under the new renovation loans if recommendations of the National Employment Commission are approved by the Dominion Government.

Gas Comes to Support Of Home Modernization

Refrigerators, stoves, laundry dryers, water heaters, furnaces and air-conditioning systems, the last 3 automatic, are the gas companies' contribution to the quest for completely modern homes. Incidentally, too, it is largely upon these appliances that the gas companies are depending to ward off successful encroachment from the electrical field.

More Gas Refrigerators

Gas refrigerator sales, The Financial Post is informed, are mounting steadily and satisfactorily in the larger cities of Canada. But with increasing sales, the companies point out, there has been no increase in service calls. With the door the only moving part, manufacturers of gas refrigerators maintain that there is practically nothing to get out of order and they claim that during the hot spell this summer the appliance came through with flying colors.

Up Goes Gas Load

Coinciding with the steady increase in sales of these noiseless gas refrigerators, there has been, of course, a steady increase in volume of gas sold. These refrigerators are operated 12 months in the year and while their cost of operation is small (from 75 cents to $1 per month in most cases), at the same time the load is constant, a factor essential but not often achieved by utility companies the world over.

Glorified Stoves

Only at the receiving end of the modern gas company is the old-fashioned open-type of stove now seen. New, completely enclosed, fully enamelled cabinet designed types are now handled almost exclusively. The more elaborate one is completely equipped with automatic control which can be turned on and off at any desired time or which will hold the oven at any desired temperature. Claims made are that they are capable of quicker and more even cooking, are more economical on fuel, cleaner and much more easily operated than their predecessors.

Gas-heated laundry dryers are another appliance which the companies are helping to increase the volume of gas sold. These are especially popular in the small city home and apartment. A relatively small cabinet holds the equivalent of 60 ft. of clothes line and with such an appliance the housewife is independent of yard space and bright sunny days.

More Water Heaters

Like the steady load-increasing refrigerators, the new automatic type of water heaters are also claimed to be gaining in popularity. Even in the face of free distribution of electric water heaters in many parts of Ontario, it is stated that the gas heaters are more than holding their own. Of course, the big point in their favor is that they will heat rapidly and give the operator boiling or near boiling water at all times of the day. Once lighted they are completely automatic.

Gas Furnaces

In the same automatic class come the regular gas furnaces and air-conditioning systems. From the cost-of-fuel standpoint it is not argued that such equipment is competitive with the cheapest fuels but the gas companies will point out other advantages of a compensating nature. Chief of these is the automatic feature.

No furnaceman is necessary. Once lighted the heating problem is over for the whole season, the thermostat taking care of all temperature changes from September until June. The affair is ornamental and clean as the modern radio, the rest of the cellar is at one's disposal whether for recreation or storage. No ashes have to be lifted out and no fuel storage space necessary. This furnace, either in hot air or hot water type, is also available completely equipped for air-conditioning.

Gas heating is not uncommon even in modest size 6 and 7-room houses in such cities as Toronto. Of course, in those larger houses from 12 to 15 rooms up, where a furnaceman would be required for several hours daily then the automatic feature of the gas heating offers a decided advantage.

For its auxiliary heating systems the gas companies are looking forward with a good deal of optimism. These are attached to any hot water or hot air system and can be used to heat the house during the mild days of autumn or spring. Because such a small amount of heat is required, there is a distinct saving over the ordinary coal-burning furnace where some head of fire, often more than sufficient to supply the necessary heat, will have to be maintained in any case. In addition these auxiliary systems can be called upon to supplement the regular equipment during zero weather.

The proposed low cost renovation loans partially guaranteed by the federal authorities are expected to stimulate materially such permanent gas equipment as furnaces and hot water heaters. These, when built right into the home or apartment, naturally come in the class of modernization equipment and will be eligible for financing under the new arrangement. But in the meantime most of the gas companies are already prepared to make their own arrangements for low monthly payments. Indeed such arrangement can usually be made for purchasing all gas appliances.

Lebel Oro Results Arouse Interest

Word from the north near press time was to the effect that Lebel Oro, drilling below the fourth or bottom level at its Long Lake property near Sudbury had encountered 4 ft. of what is believed to be unusually high-grade ore. Details were not available at mid-week, as assays had not been obtained, but the news was sufficient to cause a considerable interest in Lebel Oro stock.

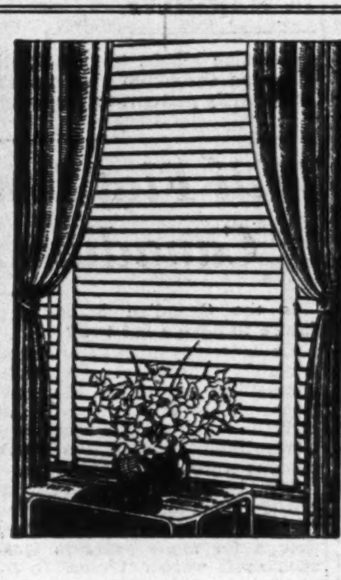
The Financial Post understands from a reliable source that the property has now demonstrated about 1½ year's ore supply and consideration is being given to erection of a 100-ton mill. In the meantime drilling is being continued.

In addition to the Long Lake property, Lebel Oro is developing its original group adjoining Bidgood Kirkland in the east Kirkland Lake field.

Canadian Industries Ltd. Plan New Crib at Windsor

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. have deposited plans with the Minister of Public Works at Ottawa covering the proposed construction of an intake crib in the Detroit River at Windsor. On September 24, the company will ask the Minister for approval of the plans, so that work can be undertaken.



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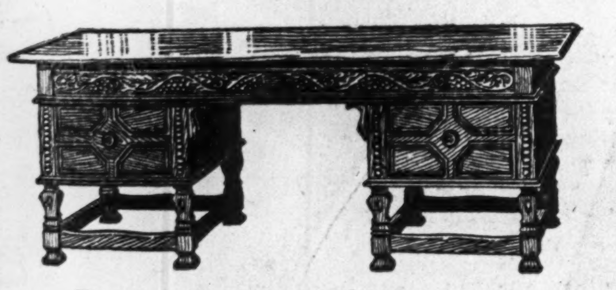

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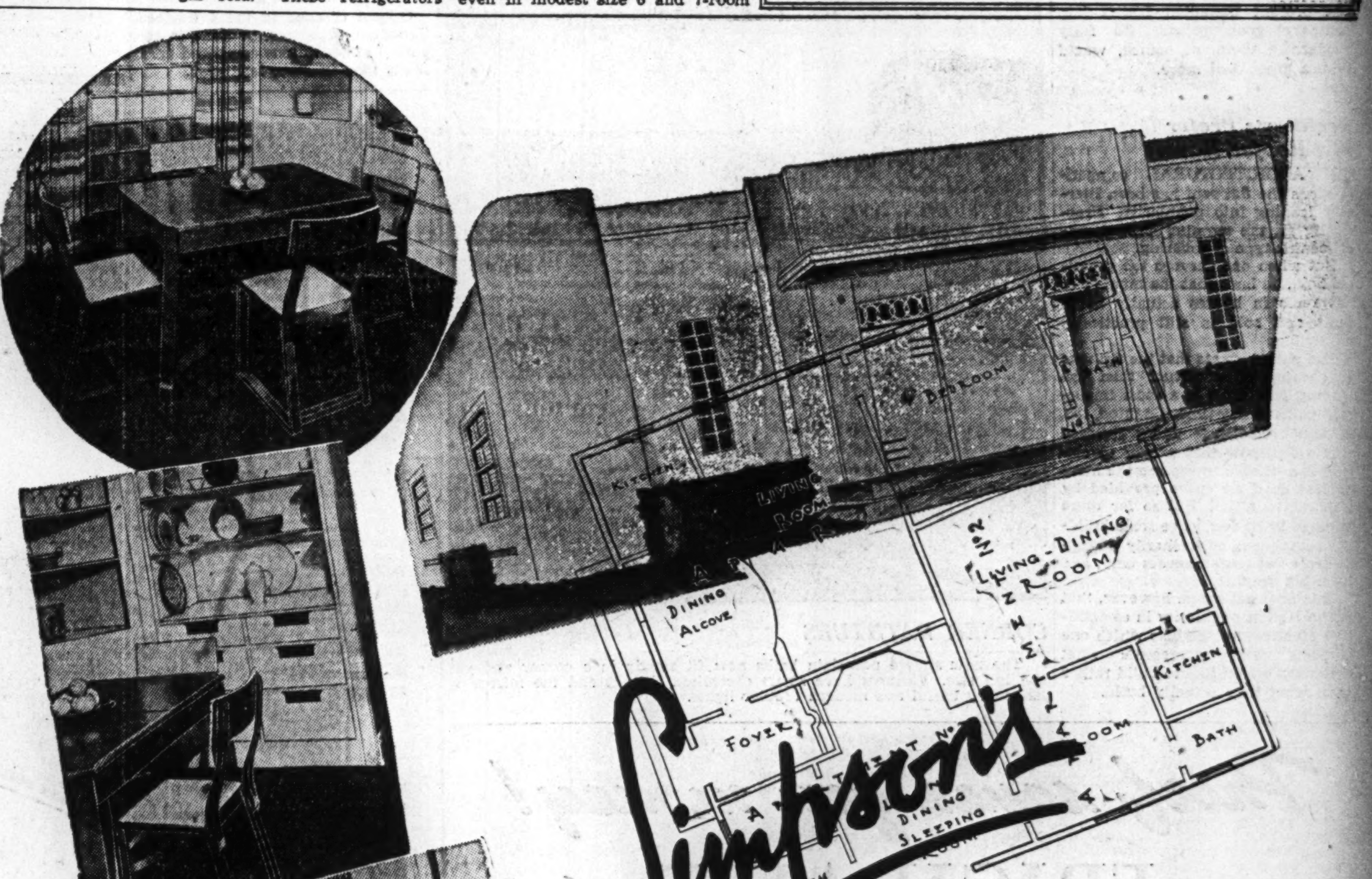

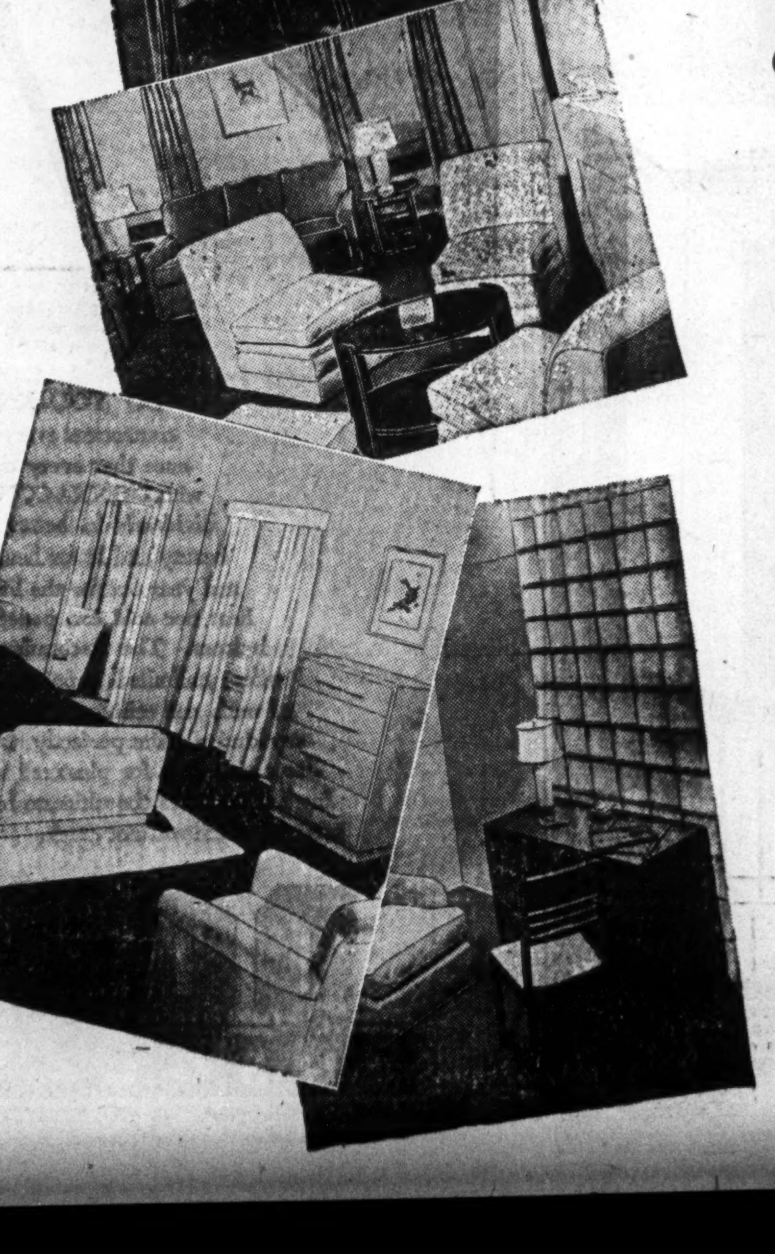

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Fifth Floor.

In The Construction World

And Now Modernization

AS EXPECTED the Dominion Government has decided to extend its construction stimulation programme by including house modernization. Under the National Employment Commission the federal authorities are working out plans to provide a fund of $50 millions for such purposes.

This money will be available to house owners desiring to make repairs or additions to existing property at a discount rate not exceeding 5% or approximately a simple interest rate of slightly under 10%. There will, however, be no extra "service" charges of any kind. Hitherto the few loans available of this type have cost very much higher.

• • •

Co-operation Vital

TO make the new proposals a national success co-operation will have to be forthcoming on the part of several interested parties.

The lending companies must supply the money, losses on which will be guaranteed by the Government up to 15%.

Construction and building supply companies must support the scheme by aggressive selling campaigns and no uncalled for increases in prices.

Municipalities must not thwart expected improvements by moving up assessments as the property is modernized.

Red tape, which has damned so many government ventures into the realm of private business, must be kept down to the minimum.

Finally, the utmost precaution must be taken against a wave of gerry building, shoddy materials and other wastefulness that too often has accompanied previous spending waves.

Given such co-operation, then there is reason to believe that not only will the $50 millions earmarked be spent on much needed improvements in the reasonably near future but that a much greater amount from entirely private sources may also become available. It is reliably estimated that an expenditure of between $200 and $300 millions would be required to put present Canadian homes into ordinary good repair. To fully modernize them, of course, would take a great deal more.

• • •

Architects Prefer Flat-Roofed Houses

IN ARCHITECTURAL competitions the flat roof has been literally leaping into popularity. Practically all the winning designs embrace this type of covering.

But when one surveys the practical field, he finds that the number of flat roofs in houses actually being built and sold is still practically negligible.

The public grants that the flat roof is cheaper to construct than the sloping one. This is a most important point at any time. Granted, too, is equal efficiency under average conditions, now that proper insulation is available to replace the more or less dead air space provided by untenanted attics. But so far there appears to be few large scale builders courageous or foolhardy enough to erect flat-roofed houses only, and in a big way.

This does not mean, however, that it will lose its popularity in competitive architectural designs which one suspects really represents what architects would like to build rather than what they actually build.

IN HARMONY

Venetian blinds, tubular lighting, gleaming chromium steel furniture and smartly patterned floor covering put this sunroom in the definitely modern class. The bright furnishings, moreover, are in harmony with flowers and potted plants which the addition of a sunroom makes possible despite weather conditions outside.

Will Flat Roof Feature Canadian Home of Future?

Is the Canadian home of the future to have a flat roof?

Of 20 designs submitted in a recent privately sponsored architectural competition only 5 had the conventional pitched or sloping roof. Similarly in the Dominion Housing Act Competition most of the winning designs were of the same type.

The tendency toward flat roof construction for residential dwellings, is relatively new in Canada though for many years in Quebec such roofs were not rare. In some countries, where climatic conditions differ, the flat roof has been a standard form of house construction.

Its recent introduction here has not been received with very great enthusiasm, however. A prominent Ontario contractor in presenting motion pictures of his ultra-modern house explained to one gathering that the peaked roof shown was adopted merely to conform with popular fancy.

Both in design and construction the house was the last word in modernization and, the builder explained, was designed for a flat roof. It failed to meet with the approval of those who examined it, however, and the builders—in accord with the popular taste—placed the conventional roof over an already finished house. His second house, however, carried out the original design and met with a fair amount of approval.

Fully insulated, the flat roof had no effect whatever on the house, apart from one of appearance. It is a case of a newer design and newer building practice coming into its own only after overcoming initial prejudice based on styles of construction which have been popular for years.

Judges in recent architectural competitions have made it clear that they attach no importance to the design of the roof whether it is flat or pitched but are satisfied that properly insulated flat roofs are as efficient and lasting as any other type and quite as suitable for the Canadian climate. Moreover the flat roof is definitely cheaper, construction authorities figuring on a saving of from $75 to $200 with this type, on a moderate-sized dwelling.

But notwithstanding its cheapness, efficiency and popularity with the architects, few flat-roof houses are being built.

Western Coke Production

Output of coke in the 4 western Canadian provinces in June is reported at 14,875 tons compared with 13,916 tons in June last year.

CORNER BATHTUBS

The new square porcelain baths now fit snugly in a corner and yet are full size. Fixtures have smart chromium fittings and the mirror is flanked by useful and modern tubular lights.

Building Products Raises "A" Dividend

Declares Quarterly Payment of 35 Cents, 25 Cent Bonus

From Our Own Correspondent

MONTREAL.—Directors of Building Products have declared a dividend of 35 cents on the class A shares of the company, plus an extra dividend of 25 cents a share, payable October 1, to shareholders of record September 16.

The current declaration compares with payments of 25 cents a share made in April and July of this year, together with a payment of 25 cents, and an extra of 25 cents in January last.

The increase in the regular distribution from 25 to 35 cents a share quarterly, bears out the report that the volume of business being handled by the company this year is appreciably ahead of that experienced in 1935.

Construction in Halifax Feels Drop Public Works

From Our Own Correspondent

HALIFAX, N.S.—While building activities in Halifax during August showed a decrease over that of the same month last year, general business increased $335,466.91, according to the report of the Halifax clearing house.

Building permits issued by the city engineer totalled 80 with a value of $128,000 as compared with 76 with a value of $837,107 for August, 1935. The disparity in figures is accounted for by the issue of a permit for the federal building construction in August, 1935.

Residential Building Up 50% in Sydney, N.S.

From Our Own Correspondent

SYDNEY, N.S.—Building permits issued by the city of Sydney for the first 7 months of 1936 show an increase of approximately 50% as compared with the same period in 1935. Made up mostly of bungalows and medium-priced residences the building permit total for 1936 is $67,595, while the 1935 figure totalled $36,250.

New Industries

Williams Gold Refinery, Fort Erie, Ont., will build an $8,000 extension. (Ft. Erie Times-Review).

Jackson Bros. Grain Co. Ltd., Winnipeg, will open a branch in the Malden Bldg., Moose Jaw, Sask. (Moose Jaw Times-Herald).

Dehydrated Products Ltd. will build a reservoir and plant at Berthierville, Que., for the dehydration of vegetables, a certain percentage of the products to be exported to England and France. (Le Courrier de Berthierville).

Building of New Homes Booms in United States

Residential building overshadowed all other types of construction in United States during August. Over $100 millions went into new homes of various kinds.

Total home building was up 40% over July and 148% ahead of August, 1935. Federal and other large scale housing projects made up a big share of the total.

Architects Building Corp. Surrenders Quebec Charter

From Our Own Correspondent

MONTREAL.—Architects Building Corp. has been dissolved and its charter surrendered. This company built a large office building in Montreal, ownership of which passed to Canadian Industries Ltd. a short time ago. Proceeds of the sale did not provide sufficient capital to pay off the bonds in full, so that there was no distribution to the equity holders.

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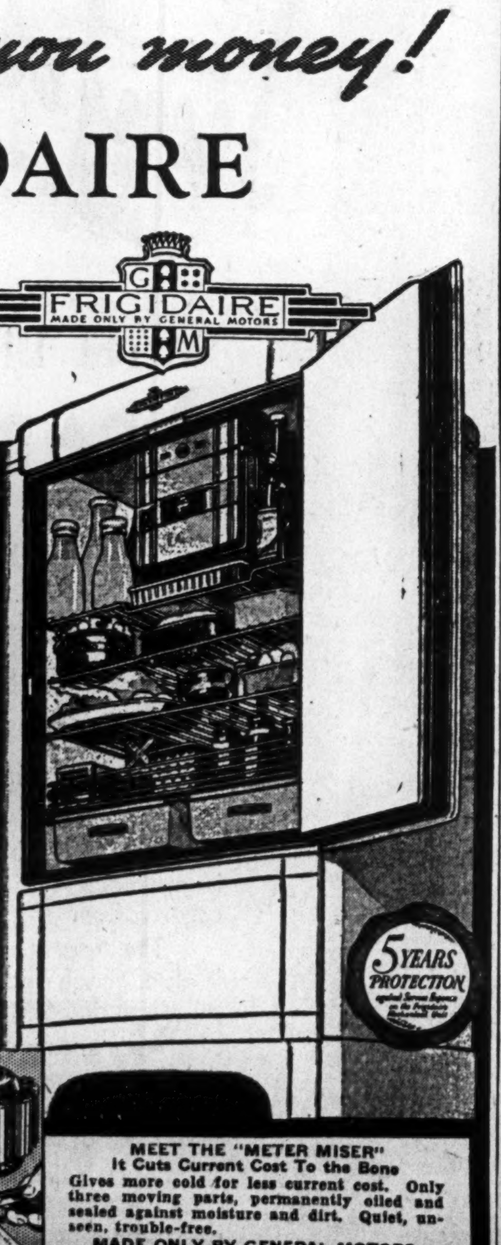

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Vol. XXX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 19, 1936 10c a Copy; $5.00 a Year No. 38

Montreal Dangles on the Brink of Bankruptcy

Heroic Measures Will Be Necessary if Canada's Largest City Is To Be Saved From Ruin—Look to Duplessis for Action

By WELLINGTON JEFFERS

A beauteous dame, Montreal, is shown in the accompanying illustration as maintaining with difficulty a perilous footing on the brink of bankruptcy. There is plenty of chapter and verse for that view of its situation in the statements of aldermen, the Montreal press, representatives of various associations which have studied its affairs continuously and closely and outside experts. A study of financial statements for many years back confirms the judgment.

Montreal's Financial Situation
(Millions of Dollars)

	1921	1929	1930	1931	1932	1933-*1934	1934-1935	1935-1936
Population (mils.)	.8	1.1	1.1	1.1	1.2	1.2	1.2	1.2
Property value ....$	928.4	1,189.2	1,245.7	1,274.3	1,293	1,273.1	1,250.6	...
Assessed value	695.2	920.5	962.7	983.0	983.1	956.0	930.2	948.9
Funded debt	119.3	173.4	188.2	212.8	235.6	255.8	268.8	...
Debt service	7.0	10.1	9.8	11.2	13.6	18.5	14.4	15.7
Ordinary revenue*	16.3	27.0	29.3	29.8	31.2	36.6	27.8	36.5
Ordinary expenditure .	17.2	26.3	28.7	31.4	33.3	43.6	34.3	36.5
Deficit	.8	‡(.7)	‡(.5)	1.5	1.4	7.0	6.7	...
City's share relief§	...	...	.1	2.3	6.1	8.1	6.2	♦7.0
Total deficit inc. relief .	...	...	...	3.8	7.5	15.1	12.9	♦7.0

Note: Population estimate is city's. Dominion census 1931 showed nearly 300,000 less than city's figure here given.
*16 months year preceding change in tax year to end April 30.
*Not including school taxes and expenditures which would add $9 millions in 1936 or special expenditures of $3.8, making total of $49.4 millions for 1935-36.
‡Surplus. ♦Estimate. §All capitalized.

It is also true that even with the Dominion Government giving a subsidy to Quebec and sharing with the province in the lifting of the heavy heavy relief load of Montreal in the last 4 years, its eventual solvency and safety depend on the starting of operating, budgeting, accounting, borrowing and development policies which are based strictly on a determination to remain solvent and to increase the attractiveness of Montreal to the resident, the investor and to the man and company of enterprise with capital to invest.

Montreal is in a bad predicament, but the situation is only considered hopeless by those who look back over its history and place too much stress on the periods when chicanery, racketeering and small politics have won over the counsels of statesmanship and prudence. Those who feel most the strain of the downhill pull of a growing load of debt will appeal for relief to the new Quebec Legislature meeting in October. All sorts of plans are suggested and it is hoped that the Legislature itself will adopt some plan and policy which will give the quietus to extravagance, unsound finance and bad administrative policies. They ask Quebec specifically to give Montreal a charter which will give those who have the city's real welfare at heart a fair chance to balance the budget by paring expenditures and stopping huge capital expenditures which can be avoided.

Important delegations from the Board of Trade, the Chambre de Commerce, the Quebec branch of the Canadian Manufacturers' Association, the Trades and Labor Council, the Montreal Citizens' Association and other bodies directly or through others told the last Legislature that Canada's chief city was riding for a grievous fall. They wanted something drastic done and they will appeal again to the new Legislature created by the vote of August 17 and which will meet October 5. They will ask for heroic treatment.

Look to Duplessis

Hopes run high at the moment. When Mayor Houde dramatically resigned as mayor of Montreal recently and would not even await the elections of next December, he said it was because the new Premier and he were not good friends. He intimated he believed Mr. Duplessis to be out for his scalp and that under the circumstances the mayor and Premier could not work together for the good of Montreal. Yet this was the same Mayor Houde who was elected in 1934 by one of the largest popular majorities ever accorded a mayor. He tried to develop new revenues to balance the budget, but ran directly contrary to the advice of experts of long experience and tried judgment by instituting a 2% sales tax in an effort to balance the budget. His solution of the problem of balancing the budget has signally failed either to please or to balance the budget. Premier Duplessis has promised to repeal that sales tax which has had a detrimental effect on Montreal's trade and commerce.

Most citizens of Montreal who think the affairs of the city are in a bad way now look to Premier Duplessis for light and leading. In a day spent in Montreal recently the writer heard prominent citizens of majority and minority groups say they hoped he would apply to Montreal's affairs the same drastic treatment he is giving Quebec. They think the same process of hiring, firing and saving which is now going on in Quebec would be a good thing to precede other general policies to improve the city's affairs. They believe the spectacle of drastic economies being made would immediately improve Montreal's credit and predispose investors favorably at any rate toward future bonds issued for sound reasons.

Lighten the Load

But just what he can or will do has yet to be shown. In statements made in the Quebec Legislature and through the election campaign Premier Duplessis has shown himself averse to anything which infringes on the autonomy of a municipality. The following statement when he was opposition leader gives ground for encouragement:

> "Montreal is under the control of the Municipal Commission and of the Ministry of Municipal Affairs, and they have to take their share of responsibility for these difficulties.
>
> "I think the question of first importance is to go to the root of things and try to get complete remedies, not palliatives. For instance, there are many heavy charges bearing on Montreal, and other cities and towns, which should not be imposed upon them, and there are certain revenues to which these municipalities are justly entitled, and which they are not permitted to collect. In Montreal the position would be considerably improved if the necessary measures were taken to give these municipalities the revenues they were entitled to, and to deliver them from the burden of undue charges.
>
> "I think also the situation would be improved by a reasonable downward grading of interest charges against Montreal, and, if necessary, a reasonable guarantee by the province, during the time that may be necessary to repair and improve anything that may be defective in their system of administration."

Since the provincial elections on August 17 a group of Union Nationale members in the city council are jubilant as to their prospects at the municipal elections in December. The affairs of the city may be considered as pretty well in their hands because Montreal gave an unexpectedly high majority to Duplessis candidates. The Union Nationale had made a special appeal to rural sections and industrialists. Montreal's response was too important and pleasantly surprising for the Union Nationale party to be ignored and it may be taken as granted that Quebec will be willing to give Montreal any form and quality of administration the majority desire.

The disease anybody can diagnose; the health objective also is clear; but the municipal physicians have 1,000 remedies to suggest. Only the racketeers who fatten on municipal spending seem always to be united and able through constant study of ward politics to defeat any plan which promises success in limiting the outgo from which they derive their bread and butter.

End of Their Tether

But they are reaching the end of their tether. The gradual drop in city of Montreal bonds this year is an intimation too plain to be ignored that money for new capital expenditures cannot be expected long if the greatest city in Canada does not learn how to pay as it goes and to refrain from spending what it hasn't.

It is one of the ironies of Canadian life that a city with a romantic and inspiring history, with a population drawn in great part from 2 races, with a brilliant record of accomplishment in the last 1,000 years, and including in its population hundreds of brilliant executives, lawyers, educationalists, clerics, engineers, financiers and accountants having a national and even an international reputation, should have come to such a sorry plight and be apparently unable to help itself effectively. It has not yet gone off the deep end like Chicago and New York City, but there is no expressing how important it is that it should not do so. Its credit is important to itself and to Quebec, but just as much so to Canada at large. The Union Nationale elevate patriotism to a high place in their calendar of virtues and that is a good thing if the majority of members can see that the man who raises his hand against Montreal is not the one who points out the danger, but the men who protest loudly their devotion while trying to engineer schemes that involve heavy outlays. The great need is a charter and a plan that blocks the racketeers and that puts an experienced general manager at the head of administration.

The 847,000 people living in the municipality of Montreal (1931 census estimate) deserve a better deal. Their tax assessment approaches a billion dollars, but the gross debenture and banking debt is nearly $300 millions, about $352 for every man, woman and baby. Who are the people who must lift the load with the aid of the present and future resources?

The population of Montreal is by racial extraction divided as follows: French, 64%; British, 22%; others, 14%.

By religion it is divided as follows: Roman Catholic, 76%; Protestant, 17%; Jewish, 6%.

In 1931 Dominion census found that 95 out of 100 could read and write.

Of the 226,139 householders 2 out of 3 live in apartments or flats. There are 3 male wage-earners for every woman wage-earner and the total earnings of 335,380 wage-earners was last given at $260.5 millions. The average wage for men was $1,017 and for women $567.

A complicating element in the situation of Montreal has been that since the census date of 1931 there has been growing unemployment and the unemployed have had a vote. In one ward 38% of the voters were on relief and politicians have catered to their political power to an amazing extent. But that is true in Toronto also where the total debt has been decreased in the depression.

The majority live comfortably. Practically every household has electricity, there is gas in 8 out of 10 dwellings, one in 12 citizens own a motor car and 3 out of 5 homes have a radio. The bank debits exceed $9 billions. Its 2,226 factories in 1933 had a total output of $300.6 millions, its wholesale and retail sales run to huge volumes.

A French-Canadian Responsibility

By reason of their majority the French-Canadians must get most of the glory and the blame for what happens to Montreal municipally. Except where they are in the majority the task of the minority elements in the population should be to choose among French-Canadian candidates for office those with the most experience, ability and character. At one time and before the Great War there was an unwritten understanding that the voters should return a French-Canadian Catholic, an Irish-Canadian Catholic and an English Canadian Protestant in succession.

The then tolerant French-Canadian voter considered that arrangement fair and voted accordingly. But it ended 22 years ago because of racial discords in Ontario over the using of French as the language of instruction in districts where French-Canadians were numerous, because of the appeals of the leaders in the Nationalist movement of 1910 and 1911 and later years to French-Canadians to insist on their language and culture being respected, because of the discords of the war period and because of the resentment fostered in the depression period against English employers who were unable to keep up the old level of employment and wages with dwindling markets and falling prices. It has never been resurrected and it may be just as well. It is better for all Montrealers to concentrate on picking a good French-Canadian mayor and good French-Canadian aldermen in the districts where they are most numerous than to get English-speaking representation just for the sake of having it. Obviously a good mayor who is a French-Canadian is a better representative of English, Irish and Jewish citizens than a minority mayor who spends his term being careful to bend backward lest he offend some susceptibility of the majority.

Concord Essential

Debates in the city council and in various committees, as reported fully in the principal Montreal newspapers, show that influential aldermen are fully seized of the dangers now existing to Montreal's credit. If Montrealers of French, English, Irish and Jewish extraction could back them up and pull together for the common good by electing others just as good, it is still possible for Montreal to get back into a place where it has the premier credit position among Canadian cities. On a basis of mutual respect for the great qualities of each race represented in Montreal's population all things are possible. If the despoilers continue to be able to sow seeds of dissension on questions of race, language, religion and class no effective work is possible. In the last analysis, whatever charter the new Quebec Legislature may consent to give to Montreal and whatever assistance it lends in reorganizing administration and in restoring its credit to its old-time place, Montreal's credit depends on concord and co-operation by all to meet and surmount its various problems.

For the last quarter of a century that concord has been conspicuously lacking for long periods. All the great statesmen of Canada have preached it because they knew only so could a great nation be built here. All the little politicians have fought it except in the periods when concord was popular and they got in on the band-wagon.

Back Men, Not Systems

Experienced and thoughtful citizens of Montreal of all beliefs and racial extraction have seen this all the time. They have given a great deal of thought to civic problems and have done a vast amount of useful work which has prevented an utter debacle. Under the influence of this study, system after system has been proposed or tried for governing Montreal. The arguments these arouse unfortunately too often divert attention from the main problem of getting sound administration, of having accounts and financial statements so well devised and phrased that they make the position of the city and of any department clear to any citizen who can read, write and calculate, and of developing the city as opportunity offers and finance permits by a comprehensive and soundly conceived plan based on economic, rather than political considerations.

The system does not matter nearly so much as the men who are trying to run it and the amount of team play they can develop. All sorts of municipal systems are effective where the citizen voters are alert on financial and economic aspects of their problems rather than the political. In some places a city council and mayor alone do a good job, in another a commission or a board of control or an executive council or a general manager adds effectiveness to what the council is able to do.

Everybody's Job

Back in the early days of this century and the closing years of last century, city councils of Montreal and Toronto had aldermen who had won prominence and even fame for their success in business, manufacturing, the professions and who knew how much of the success of individuals comprising a city's population depends on well-run municipal affairs. These men had their feet on the ground and did well by their cities. Though both councils still contain very good men, most of the men who are making an outstanding success in other lines have withdrawn. They retreated before the politician, not having the particular kind of stamina or hide it takes to stand the lash of unmerited abuse, of misrepresentation and of ingratitude. One other reason is that they became too busy in Canada's great growing period from 1900 to 1913, too busy during the Great War, too busy in the very busy time that followed it and too busy so far in the depression to get out and organize effectively to back men and policies which are best for the great majority of citizens.

And they will have a hard time if they go back into politics though that is what they should do. In the few reform movements that have swept aside notoriously bad elements in municipal councils, the new elements have lost ground almost at the start because they had to put on new taxes to balance the budget, new taxes made necessary by the extravagance of the old administrators but for which they got the blame. The fatal ease with which a great city like Montreal can borrow is at the root of most of its ills. Its credit was high and borrowers lent because of that and cared little what the money was being used for. They thought it was safe and that was enough.

Investors' Responsibility

If investors hereafter learn to satisfy themselves that a loan is for a good and constructive purpose before buying a bond of Dominion, province of municipality or of any foreign government, they will be putting the little politicians of every land "on the spot." The hey-day of the small politician rests entirely on the fact that money has been easy to get for almost any municipal purpose for which a political demand could be created. Year after year they have been able to do this and in effect answer the plea that they are mortgaging the future of every future citizen by saying, "What has posterity done for us? Why then should we do anything for posterity?"

Annexations Plus Unemployment

It would be unfair to present and past city councils of Montreal to suggest that they could have entirely avoided the situation as it now exists. Back before and during the war their predecessors permitted annexation to the city of a large number of municipalities that had loaded themselves down to the gunwale with debt for improvements of all sorts before annexation. Maisonneuve in particular brought into the city's financial structure a large dowry of debt.

There are also exemptions from taxation of church and government property within the city limits amounting to 25% of the whole. As the depression hit large industrial companies relatively harder than it hit small ones, the resulting unemployment has been very bad in 3 ways; it increased unemployment, reduced tax receipts and piled up arrears of taxes. Fortunately Montreal eventually balked against taking in other municipalities on the point of becoming insolvent and the Montreal Metropolitan Commission was formed to superintend the affairs of 11 nearby municipalities. Montreal itself, however, has to contribute half a million dollars yearly to the funds of the Montreal Metropolitan Commission as do those members of the 11 who show a surplus.

And in the last 4 years the city has had to pay more than $6 millions yearly for its share of relief. Back in 1918 a board of control ran the city. Things were bad and Sir Lomer Gouin put the affairs of the city under the Decary commission. It did well until 1925 and then democracy was given another chance with a city council and an executive council of 5 elected by the aldermen within 2 weeks after the election. Many want a Decary commission again or at least, if democracy is to be given full rein, that a general manager be appointed to secure administrative efficiency.

In any case it is now considered up to Premier Duplessis and this article may therefore close on a note of hope by quoting a recent statement of the Premier as follows:

> "We are always ready to help Montreal and always will be. The Government is desirous that this city keep its title of Metropolis of Canada, and will do anything within its powers to help it obtain and retain a permanent prosperity."

How Debt Grows
(Millions of Dollars)

	1917	1929	1934
Consolidated debt ...	78.3	93.1	113.5
Additional debt	11.2	56.6	93.4
Working capital debt	4.0	23.7	48.9
Total	93.5	173.4	†255.8

Increase in 17 years = 170%.

Note:—Consolidated debt is limited by charter but total of additional debt is limited only by the attitude of the Quebec Legislature to requests for power to make new loans. All debts should be under statutory limits.

†School debt of $32 millions brings total to $287.7 millions. Total reached $300 millions in 1935, not including bank loans.

Comparative Budgets
(Millions of Dollars)

	Quebec	Montreal	Toronto
Ord. revenue	32.0	40.3	39.3
Ord. expenditure	36.9	45.9†	39.1
Gross debt	146.1*	298.3‡	180.7

*After deducting $17.5 millions Quebec sinking fund.

†Montreal's budget exceeds that of Quebec province.

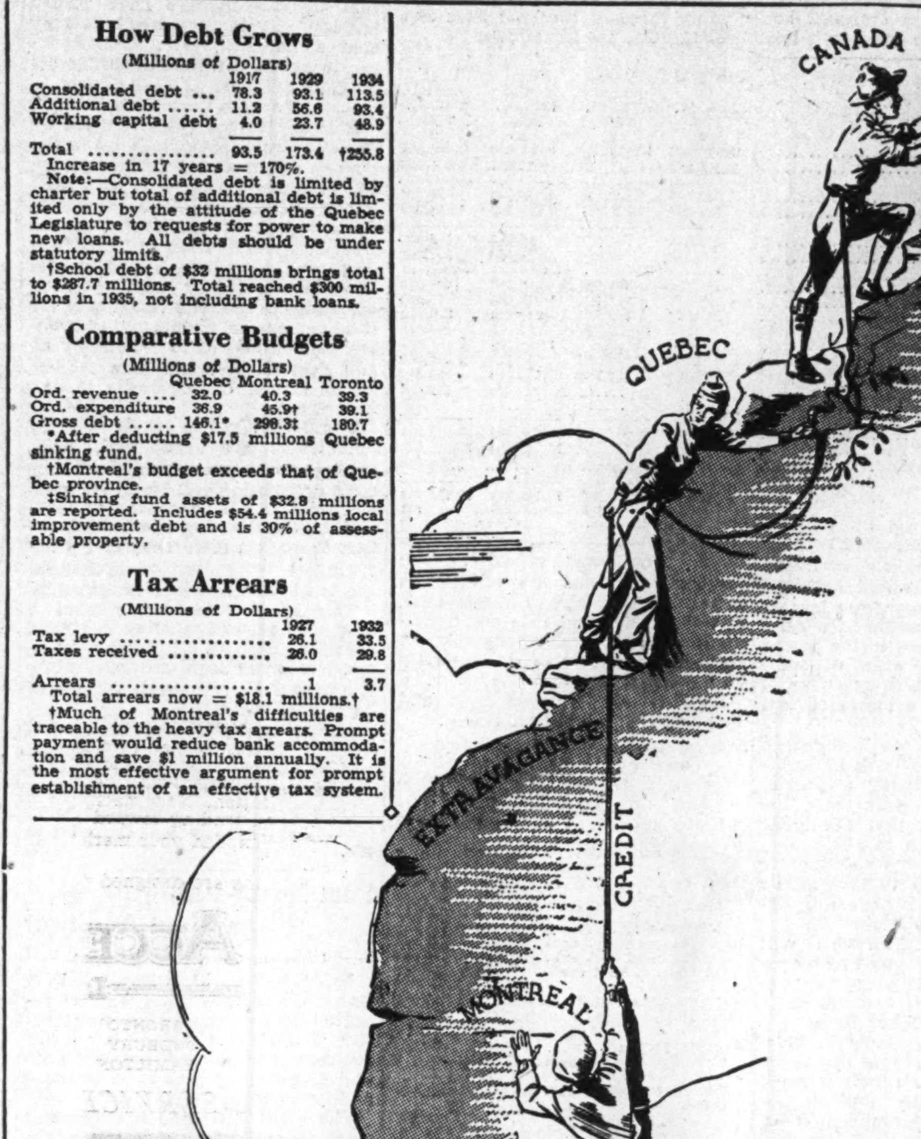
‡Sinking fund assets of $32.8 millions are reported. Includes $54.4 millions local improvement debt and is 30% of assessable property.

Tax Arrears
(Millions of Dollars)

	1927	1932
Tax levy	26.1	33.5
Taxes received	26.0	29.8
Arrears	.1	3.7

Total arrears now = $18.1 millions.†

†Much of Montreal's difficulties are traceable to the heavy tax arrears. Prompt payment would reduce bank accommodation and save $1 million annually. It is the most effective argument for prompt establishment of an effective tax system.



In a Ticklish Spot

C.N.R. "New Deal"

From Our Own Correspondent

OTTAWA. — The new board of directors of the Canadian National Railways, which replaces the present board of trustees October 1, represents an attempt on the part of the present Government to improve over the trustee method of direction, which disclosed some rather grave weaknesses, without going back to the Thornton type of regime, with its large, loose directorate and its gross extravagances. By political opponents it has been criticised as "window-dressing" and the charge made that in effect it merely undoes the studied changes brought into effect in 1933 as a result of the recommendations of the Duff royal commission, and leaves things as they were.

New Directors

The new board's make-up now is:

S. J. Hungerford, now president of the Canadian National, chairman.

James Y. Murdoch, K.C., Toronto, president of Noranda Mines, Limited.

Wilfred Gagnon, Montreal, manufacturer.

Herbert J. Symington, K.C. Montreal.

Donald H. McDougall, mining engineer of Stellarton, N.S., and Montreal.

Robert J. Moffatt, Bradwell, Sask., director of the Saskatchewan wheat pool, and farmer.

The seventh director is B. L. Daly, C.N.R. conductor, of Winnipeg, named by agreement between the labor bodies associated with the Canadian National, who will make a recommendation to the Government.

Actually, the new direction of the Canadian National Railways is radically different from either the Fullerton or Thornton set-up, and those familiar with the administrative capacity of Hon. C. D. Howe, Minister of Railways, are willing to give the new directorate a fair chance to attempt to salvage the Government railway system from the discouraging level to which it has sunk during the depression.

They're Not Politicians

The appointments made a reasonaby favorable impression on the capital. There was general satisfaction over the inclusion of 2 or 3 outstanding industrialists. With the possible exception of Hon. Wilfrid Gagnon, it could be described as a "non-political board." Herbert J. Symington and James Y. Murdoch are regarded as perhaps "the brains" of the new appointees. Mr. Symington's extraordinary knowledge of the intricacies of freight rates and of railway administration generally commends him to the business world and to the Canadian taxpayer. Without slavishly yielding to the desire for regional or occupational representation, it is generally felt that the men chosen mirror fairly well the diverse interests of the country. As this is to be essentially a "working board" rather than a casually advisory one, it was felt that the majority of the directors should reside within easy reach of railway headquarters.

Obviously the first and major task of the new directorate will be to put the railway system on a basis where it can meet the annual charges on its bonded indebtedness and cease to be a constant drain on the federal treasury, if this is humanly possible. This problem has taxed many of the best minds in Canada both before and since the Duff commission, and if the new Hungerford board can accomplish it, it will earn the gratitude of the country. The Minister of Railways envisages an important change of policy under the new board, although it must be confessed that his projected changes are rather general in character.

Co-operation Fizzle

Though the Fullerton trustee board was set up specifically to carry out the Duff recommendations and to establish large-scale co-operative economies with the Canadian Pacific Railway, the present Government, after some study had been made by the Minister of Railways, charged that it had failed to accomplish anything like as much as was possible and necessary; and it further alleged that the morale of the Canadian National had been seriously impaired through injudicious policy. These were the 2 main bases on which the change was justified.

The Duff commission, finding that one of the main transportation losses in Canada was due to duplication and excessive competition between the 2 major railway systems, had recommendations which led to the 1933 act which enjoined the 2 systems to eliminate such costly rivalry. From some quarters came estimates of potential savings of $75 millions a year under unified operation, and even without such a drastic and politically difficult move, it was suggested that many millions could be saved by co-operation.

Savings But $1.6 Million

After 2 years of trustee operation, total savings in 1935 were estimated by the Canadian Pacific Railway at only $1.6 million of which one half accrued to each company. The present Minister of Railways frankly stated in the House when introducing the new measure that these "meagre results" arose from the incapacity of the board of trustees, which drew down on his head a storm of protest from Rt. Hon. R. B. Bennett and other Conservative leaders.

The chief points of difference between the new set-up and either the Fullerton or Thornton administration are:

There are 7 directors, as compared with 3 trustees; and 17 (earlier 15) directors under the Thornton regime. The number 7 was chosen to avoid too great centralization of authority, as was claimed to exist in the trustee board, and the other extreme of an unwieldy and widely scattered directorate.

A majority of the directors govern. Under the trustee set-up, the chairman's vote was necessary for a decision. He could veto the majority vote of the other 2.

An outstanding representative of organized labor is to be included. This was not done under the trustee direction. It is a reversion to the earlier policy.

The deputy minister of railways is not now on the directorate, as he was prior to 1933. The intention is to free the directorate of the presence of one who is assumed to represent the Government's view. The Government proposes to provide every opportunity of free discussion. The link between the Government and the directorate is to be accomplished by conferences between the Minister of Transport and the chairman of the board.

For the present the chairman of the board and the president of the railways will be the same person, S. J. Hungerford, who will receive a salary of $30,000 a year. But it is the Government's intention to provide for the training and developing of a president within the services if possible, looking forward to the time when the offices will be distinct.

The reduction of the size of the board has, among other objects, the intention of reducing the likelihood of political pressure on the railway. Instead of having a direct contract with the government, as Sir Henry Thornton had, the new chairman, and subsequently the president, when the posts are separate, will be chosen by the board of directors.

But One Salary

The president and salaried officers are to be paid but a single remuneration, no matter how many subsidiary boards they may sit on. The extravagances of the Thornton régime are being guarded against. It is not intended to give President Hungerford free rein as was almost inevitable with the large scattered directorate of 17, and the views of the then government about freedom from any parliamentary dictation. The conception rather is that of a small active board, paid sufficient to justify close supervision, directing policy, with the detail of administration left largely to the chairman and president, and the link with the government provided by conferences between the chairman and the Minister of Railways, outside and apart from board meetings.

The country will watch with some interest the results of these rather technical changes in management. The government is pledged to maintain the integrity of the Canadian National Railways as a publicly-owned system. The present move represents one more attempt to make it pay its way without a major operation or a complete reversal of policy. Dismissing the sums owed to the government as bookkeeping entries, the debit balances on profit and loss account have averaged over $50 million in the past 5 years and a loss of $40 millions is again budgeted for this year.

George Weston Opens New Plant

The new biscuit plant of George Weston, Ltd., at Battle Creek, Michigan, is commencing operations with a large volume of business on hand.

The Middle Western United States was served from the Passaic plant for the last 2 or 3 years, but even though the Passaic plant was extended in July, it is reported by F. W. St. Lawrence, general manager, the new plant is needed.

Together they give the company 80% increase in capacity in the United States. This is expected to have quite an effect on volume and profits but the first effect for a full year will be felt in 1937.

After Business

From Our Own Correspondent

OTTAWA. — Canada is spending over half a million dollars in the present fiscal year to promote the sale of commodities in the United Kingdom. The new drive launched by Hon. Vincent Massey, High Commissioner to Britain, coincides with the campaign announced several weeks ago by Hon. J. G. Gardiner, Minister of Agriculture. The former has a vote of $250,000 for "advertising and publicity in the United Kingdom and Europe." The latter has $300,000 to spend, voted in the supplementary estimates at the end of the session to promote the sale of agricultural products.

The campaign being directed by Hon. Vincent Massey is not a new one. Originally under the Department of Trade and Commerce, it was transferred 3 years ago to the High Commissioner's office, with the intention of placing it under the control of someone on the spot. The first year $200,000 was voted for the purposes, and each succeeding year $250.000.

New Plan of Attack

New methods of attack on the problem are, however, being gradually evolved. It has been thought more desirable to concentrate the bulk of the advertising. This year, beginning at Glasgow, and continuing to 3 or 4 other large industrial centres in the United Kingdom, an intensive campaign will be waged. In each of these centres one of the "CANADA SHOPS" will be erected, and at the same time an active poster and placard drive be launched through the medium of the tram, the billboard, the charabanc, and so on. Newspaper and periodical advertising will be timed to coincide in place and time with these regional drives.

To some extent the government publicity is tied in with that of Canadian private enterprise. One of the leading exporters of Canadian hardwoods has for several years co-operated with the Government. Others are co-ordinated to a lesser degree. There is also some co-operation with the Canadian Travel Bureau.

Gardiner Campaign Specialized

The Gardiner campaign is of a specialized nature, and will not be confined to advertising or trade displays. The Minister of Agriculture proposes to set up a small staff in the United Kingdom to study at first hand the needs of the British market and to keep the producer here posted.

A former livestock commissioner will probably be sent over to look after the shipments of live cattle. Other agricultural commodities, notably cheese and butter, will receive special attention.

Maritimes Suggest New Custom Wording

HALIFAX, N. S.—Suggestions that some change be made in the wording of customs regulations to avoid different interpretations is being considered by the Halifax, N. S. Board of Trade.

The regulations, it was stated in a communication received by the Board, were often interpreted differently by various collectors with the result that importers suffered unfair competition.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Donnacona Paper

Will you please let me know what you think of Donnacona Paper Co. bonds and whether there is a chance of interest being paid in the near future?

Donnacona Paper Co. has registered an improvement in operations and earnings. Under the plan of reorganization carried out in 1932, interest was to have been resumed this year. Such a step would have depleted working capital and a new plan was put into effect, whereby interest changes were put on a graduated scale, beginning with 3% for 1936-37. Such interest is now being paid.

Under the revised plan, it is anticipated the company will be able to cover the interest charge, as in 1935 the company earned $207,076 as against an amount of $197,520 required to pay the 3% interest.

Sales of the company have shown a further gain this year. With a better price prevailing for newsprint, it is expected net income will show an increase. Again the advance of $1.50 a ton on newsprint for 1937 deliveries should further widen the margin by which bond interest is earned.

Dominion Coal

As a subscriber to The Financial Post I would appreciate your views on Dominion Coal 6% registered debentures.

Dominion Coal Co.'s 6% registered sinking fund debentures are well regarded. With the exception of 1931 and 1932, earnings of the company have been sufficient to cover sinking fund, depreciation and all interest charges. Obligations in respect to the debentures have been met in full and while this issue is not secured by a mortgage, it represents a preferred claim on earnings of the company after the first mortgage bonds.

Asbestos Corp.

Please be good enough to give me a review on the position of Asbestos Corp. Is there any likelihood of the company paying a dividend shortly? Can you tell me who has control of the company?

Asbestos Corp. has done much to improve its financial position and earning power. Practically all the underlying bonds have now been redeemed and the only debt which the company has outstanding are the general mortgage bonds on which there are arrears of interest amounting to 9% and arrears of sinking fund totalling over $750,000. Earnings of the company have moved ahead and the report for 1936 is expected to show relatively large earnings on the common stock. There is no prospect of a dividend on the common until steps are taken to rid the company of its liability in connection with interest and sinking fund arrears on the general mortgage bonds. It is anticipated steps will be taken to call the general mortgage bonds. In that way the company will get rid of the contingent liability of the sinking fund. Of course it is difficult to say when this will happen, but things have been moving rather quickly with this company and the possibility of an early redemption should be kept in mind.

It is our understanding that approximately $1 million of the general mortgage bonds and over half of the comon stock are held by London, Eng. interests.

Penmans Ltd.

I am interested in Penmans Ltd. common stock and would like a general report on this company.

Penmans sales have increased from $4.8 millions in 1931 to $5¼ millions for 1935. There is more than $1 million of non-convertible 6% preferred stock coming before the common. Dividends have been paid regularly on the preferred stock and 3% per annum has been paid on the common since 1932.

The company has a stable position in the textile industry, which, however, is subject to tariff uncertainty. Dividends were not fully earned in 1930, 1931 and 1932, but have been earned since.

The company has a sound working capital position, its management is well regarded and its bonds are being reduced steadily.

Hamilton By-Product

Do you consider Hamilton By-Products Coke Ltd. 6% general mortgage bonds a sound investment? In view of the high yield, I thought of treating any sum invested as I would a preferred stock. Any information you can give me as to the financial standing of the company would be appreciated.

Hamilton By-Products Coke has $750,000 of 6% general mortgage bonds, due 1956, outstanding. These bonds are redeemable at 103 up to 1941, 102 to 1946, 101 to 1951, and at 100 thereafter. An annual sinking fund begins April 1, 1937, equal to 2½% of the bonds issued, plus interest on all bonds previously redeemed. The sinking fund is to retire more than 82% of the bonds by April 1, 1955.

These bonds are a second mortgage upon the company's property, and are also secured by a second floating charge on all other assets. They are, of course, subject to the first mortgage bonds of $2.5 millions.

The company has current assets of $1.3 million and current liabilities of only $274,196. In the year ended March 31, 1935, the net earnings before bond interest and after depreciation amounted to $440,188. Interest requirements are $170,000. These requirements were more than covered in every year of the depression except 1931, and were almost covered then.

Dosco

Will you be good enough to give me your opinion on the B stock of Dominion Steel and Coal. Do you think this stock will appreciate in value before the end of the year?

Dominion Steel and Coal B stock is considered a speculation. During the course of the last few years, capitalization of the company has been dewatered and its funded debt placed on a basis more in line with its current earning power. While reports of operations in the last 2 years have been encouraging, a great deal of the business handled by the company has been taken at little or no profit. However, with an improvement in domestic conditions and an increase in business, the company is in a position to show earnings on the B stock. We do not give opinions on future market values.

Canadian Converters

Can you tell me why the stock of Canadian Converters is selling so low, and also what is the book value of the stock?

The present low price of Canadian Converters stock is primarily due to the unsettlement in the textile industry. It is expected that in the coming conference on the Empire trade agreements, Canada will seek to enlarge its market for raw materials and in order to do so will make concessions on imports of manufactured materials from other parts of the Empire, particularly on textile products. If this were to happen, the position of the industry here would be affected adversely. As a consequence there is a lack of confidence in the textile outlook. According to the last statement issued by Canadian Converters, dated April 30, 1936, the book value back of the common stock was $128.86 a share.

Gatineau 6's

Please let me have your opinion on whether or not Gatineau Power will continue interest payments on its debentures.

Gatineau Power is earning all its interest requirements under the terms of the new contract with Ontario Hydro and there is no reason to question a break in payments. While this contract is good only for 10 years; the expectation is that at the end of that time, the agreement will be renewed. Though this investment can hardly be ranked as a high grade, still the debentures are reasonably well secured and the return commensurate with the risk.

Allen Theatres

Some years ago I bought Allen Theatres 8% preferred and also common stock. Has it any value?

Shares of Allen Theatres Ltd., the holding company which controlled the chains of Allen motion picture theatres, are worthless. Famous Players Canadian Corp. acquired the shares of the operating subsidiary theatres, but the amount realized from this sale of the Allen Theatres Ltd. holding was not sufficient to pay creditors in full. Consequently, when the company was wound up, there was nothing for shareholders. This is apparently the stock you hold.

If, however, your shares are those in Allen's Toronto Theatres Ltd., they have some value, being traded around $30 for a unit of one preferred and one common share.

U. S. Dividend Tax

Dividends paid to Canadian citizens by U. S. corporations, are now taxable at the source, at 10%. I understood there was a possibility that this would, by mutual agreement, be reduced to 5%, but have heard nothing further regarding this and wonder if such action is probable in the near future.

I would also like very much to know how Canadian investors in U. S. securities will be affected in so far as Dominion income taxes are concerned. For instance, I hold 10 shares American Telephone & Telegraph, on which the annual dividends amount to $90, and from which I receive, after deduction of the 10% tax, $81. Shall I be required to pay Dominion income tax on this $81 or shall I be assessed on the $90 and be allowed credit of the amount on my Canadian taxes of the $9 paid to the U. S. government?

Negotiations are under way between the U. S. government and Dominion income tax authorities regarding the 10% tax deducted at the source on dividends paid to Canadian citizens by U. S. corporations. It is possible some arrangements may be reached between the 2 governments shortly, so that the possibility of a downward adjustment of the U. S. tax to 5% is still possible.

Until this arrangement is reached, the precise method of taxing Canadians on dividends received from U. S. corporations is not clarified. The prospect is, however, that you will be taxed on the gross income, and allowed to make a deduction for the tax paid to the U. S. government.

Shawinigan

Can you tell me what effect the policies of the new government in Quebec are likely to have upon the privately owned utility companies, particularly Shawinigan, in which I hold shares?

It is rather difficult at the moment to make any definite pronouncement as to what policies the new Quebec government is likely to adopt in regard to water power. As you are undoubtedly aware, the privately owned utility companies in this province have been under attack for the last 2 or 3 years, while the provincial government conducted an enquiry into the affairs of the different companies, resulting in the setting up of the Quebec Electricity Commission.

Shawinigan is in a rather better position than the majority of the other utilities operating in the province. The greater proportion of its output and revenues come from the sale of power in large blocks to industrial consumers. The chief concern to the provincial government is in the retail business. This phase of Shawinigan's activities is relatively small and any regulations which might be imposed by the government would not have a very serious effect upon the company's operations.

Canada Vinegars Ltd.

I am thinking of purchasing Canada Vinegars Ltd. common stock. Will you kindly let me have a report on this company?

Canada Vinegars has an outstanding capital of 92,000 common shares, without any other securities. From 1928 to 1936, the company paid regular quarterly dividends at the rate of $1.60 a share per annum. The rate was reduced to $1.20 a share with the payment March 2, 1936, of a quarterly payment of 30 cents a share. This reduction was due to the fact that earnings for the year ended Nov. 30, 1935 were only $1.22 a share, compared with $1.62 a share in the preceding year.

Profit reported in 1935 was the lowest since the present company was incorporated. The highest was $2.01 a share in the 1929 year. While the past earnings record indicates prospects for comparative stability of income, the company's vinegar market can hardly be said to hold promise of sensational expansion of earnings. At the present price of slightly under $24 a share, the stock yields about 5%, which must be considered relatively attractive in comparison with rates of 3½ to 4½ per cent on high quality corporation bonds.

Canada Steamships

I hold a few of the general mortgage bonds of Canada Steamship Lines and would like to know what action has been taken in regard to the reorganization plan. Have operations been more profitable this year?

A plan of reorganization for Canada Steamship Lines has been advanced by the bondholders protective committee, but no action has been taken on it. The plan has not received approval of the directors of the company and it is possible there will be changes before the bondholders are asked to vote on it. Operating and financial returns of the company this year to date are understood to have been somewhat disappointing. This is due to low rates on the movement of grain from the head of the lakes and a limited volume of bulk freight. In other divisions the company is understood to have experienced a fairly successful year.

McColl-Frontenac

Will you please let me have a short report on the current position of McColl-Frontenac Oil Co.'s common stock?

McColl-Frontenac Oil Co.'s earnings are understood to be well maintained, which means that the dividend on the common stock is being covered. There have been no particular developments in connection with this enterprise, except for the announced intention of the directors to work out a plan whereby the bonded debt and preferred stock will eventually be exchanged for common stock. Such a plan will necessarily take some time, and, if effected, should tend to strengthen the financial position of the company.

Can. Power and Paper

What progress, if any, has been made by Canadian Power and Paper Investments?

Canadian Power and Paper Investments has made progress in reestablishing itself since the reorganization in 1933. In an interim report issued last February, the president stated loans from the bank and trust company have been liquidated and the company now has no liabilities other than to the debenture holders. As at February 15, 1936, the balance sheet showed investments at a cost of $5.2 millions, with market value of $2 millions, which is almost sufficient to cover the outstanding debentures. Earning power is still somewhat limited. For the period from Aug. 1, 1935, to Feb. 15, 1936, the company's income was only $12,468 short of covering all charges, including debenture interest.

Int. Bronze Powders

Can you let me have a report on International Bronze Powders preferred stock, which I note is selling around 29?

International Bronze Powders conducts an international business in the manufacture of metallic powders. Operations have been expanded since formation of the present company in 1934 and the financial statement for 1935 indicated net earnings of $4.16 a share on the preferred, as against dividend requirements of $1.50 a share. The preferred stock also participates in dividends after $1.50 a share has been paid on the common. The present dividend rate on the common is 75 cents a share. On a participating basis, the company earned $2.22 a share on both the preferred and common stocks last year, so that it would be possible for the company to increase the dividend without drawing upon reserve. A point to bear in mind in connection with International Bronze preferred is that the current market price of 29 is within a point of the call price.

Northwestern Power

Northwestern Power debentures are selling around 71, and I would like to have a report on the investment merits of this security?

On the basis of the reorganization of Winnipeg Electric Co., which has absorbed Northwestern Power, it is anticipated the company will be able to earn the interest charges on the new debt. While the consolidated income account for 1935 showed a net income of $385,354, before providing for interest on the new series B bonds, it is rather difficult to give a proper appraisal of the company's position until the 1936 financial statement is made public. As far as Northwestern Power bondholders are concerned, they receive 40% of their holdings in the series A bonds of Winnipeg Electric, which carries fixed interest charges, 60% in general mortgage series B bonds, which are on an income basis, as well as a small amount of Class A shares and $29 face value contingent certificate.

STOCKS LISTED AND UNLISTED BONDS

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Newsprint Securities. 10.

M. & O. Paper

Holders of 6% Bonds Have Equity Position With Value Dependent on Newsprint Price Developments in Future — A Long-term Hope

Chief investment interest in securities of Minnesota and Ontario Paper Co. lies in the $24.4 millions of 6% first mortgage bonds, which are currently quoted at about 40 cents on the dollar. In addition, however, there are $3.5 millions of 6% gold notes outstanding.

The company is under operation of trustees under U.S. corporation bankruptcy laws, and has been in default on bond interest since 1931. To some extent the possibility of eventual recovery in earnings has been dimmed by the company's loss of its equity in Great Lakes Paper Co., and by the fact that its other major subsidiary, National Pole and Treating Co., has been unable to earn its fixed charges. Although capacity operations have been achieved for most of the company's plants this year, net income continues far below the amount necessary to meet interest charges, even without allowing for depletion and depreciation.

Comparative income figures, excluding those of National Pole and Treating Co., are as follows:

	Jan. 5/36 to June 21, 1936	Year ended Dec. 31, 1935	Year ended Dec. 31, 1934	Year ended Dec. 31, 1933
	$	$	$	$
Net sales	5,701,846	10,819,303	8,989,200	7,338,550
Less: Cost of sales	4,748,202	8,277,129	6,873,451	5,809,152
Gross profit	953,645	2,542,174	2,115,749	1,529,398
Less: Sales, general expenses	645,309	2,321,637	2,019,590	1,977,239
Operating profit	308,336	220,537	96,159	†447,841
Add: Other income	60,362	47,428	52,406	157,991
Net income	368,698	267,965	148,565	†289,850
Less: Depletion	132,438	222,785	290,826	97,922
Depreciation	329,887	760,590	715,808	857,192
Int. accrued and paid	10,772	35,508	47,809	44,931
Int. accrued but not paid	1,118,212	2,559,417	2,241,458	2,142,861
Other P. & L. items	190,053	2,615,256	75,271	1,347,603
Res. for N. P. & T. stock	90,346	198,381	195,958	195,379
Rent and interest	......	......	183,052	182,691
Add: Credit from liquid.	......	......	......	7,475
Net deficit	1,503,010	6,123,972	3,601,615	5,150,954
Less: Previous surplus	10,025,287	16,149,259	19,750,874	22,811,828
Prior year's interco. int.	......	......	......	2,090,000
Surplus forward	8,522,277	10,025,287	16,149,259	19,750,874
Times all interest earned*	0.328	0.103	0.065	nil

*Before depreciation and depletion and based on net income. †Loss.

Earnings Increased

The improvement in operating profits between 1933 and 1936 has been $1 million a year, due largely to the fact that while net sales revenue has increased in the period by over 50%, cost of sales, and selling and administrative expenses of the trusteeship have increased less than 40%.

The rise of $1.50 a ton in the price of newsprint for 1937 will undoubtedly give the company a greater margin of revenue over costs, except to the extent that the latter may increase. Even this improvement, however, seems unlikely to enable the company to earn all its bond interest, before providing depletion and depreciation. In the period ended June 21, 1936, it will be noted that net income was barely adequate to provide proper depreciation on plant and equipment.

Must Await Higher Price

Earlier this year, Harry R. Mosser, Chicago, secretary of the bondholders' committee, reported some improvement in the outlook toward capital reorganization of Minnesota and Ontario Paper Co., due to settlement of litigation over the M. & O. holdings of shares of Great Lakes Paper Co. However, the latest report of the trustees for the bondholders states:

"The continued low price of newsprint has an adverse affect on the possibility of an early reorganization and a lasting improvement in the company's position is considered necessary. Consequently, the trustees report that little further progress has been made toward reorganizing the company."

Meanwhile, there is no early possibility of any interest payment on the bonds, which, to a considerable extent, constitute a gamble on a further increase in the price of newsprint, which, of course, may not be a remote possibility.

The company owns pulp, paper and saw mills at International Falls, Minnesota, on the American side, and at Kenora and Fort Frances, on the Canadian side of the international border in the Lake of the Woods area of northwestern Ontario.

Combined annual capacity of these mills is 250,000 tons of newsprint, 34,000 tons of kraft liner board and about 300 million ft. of "Insulite," insulating material. The company also has capacity of about 125 million ft. of lumber, box shooks and crating.

The company has hydro-electric power developments, mostly on the Rainy River, with a combined capacity of 65,000 horsepower and an auxiliary steam plant with 18,000 horsepower capacity. The various operations are carried on through wholly-owned subsidiaries, except for National Pole and Treating Co., which the company controls through ownership of the majority of the 60,000 common shares.

Earnings of National Pole and Treating Co. are shown below:

National Pole & Treating Co.
Income and Surplus Account

	6 Mos. to June 30, 1936	1935
	$	$
Net sales	740,304	524,352
Less: Cost of sales†	655,754	533,993
Selling, admin. exp.	72,287	59,187
Oper. profit	12,263	§68,828
Add: Other income	2,621	2,615
Net income	14,884	§66,213
Less: Int. on fund. debt	51,075	53,890
Amort. bond disc. exp.	10,265	10,598
Add: Misc. credits (net)	1,841	168,669
Net profit for period	§44,615	37,968
Less: Prev. surplus	858,695	955,827
Surplus forward	814,080	993,795
†Includes depreciation	28,395	34,111
Times int. earned*	0.29	nil

*Based on net income as shown above.
§Loss.

National Pole Notes

National Pole & Treating Co. has outstanding $1,710,800 of 6% notes which were issued in 1931 to meet maturing notes, and which again mature Dec. 1, 1936. Holders have recently agreed to accept new notes extending to Dec. 1, 1941.

Meanwhile, however, earnings have been insufficient to meet full charges on the notes so that working capital has been reduced from $2.9 millions in 1931 to $1.8 million this year.

The hope of M. & O. of getting any income from its National Pole shares is dim at present and the shares are pledged as security for the note issue. A ray of hope in the affairs of National Pole is that the company recently leased from Great Northwestern Railway Co. the railway's treating plant at Hillyard, Wash. A contract has been entered to provide ties, lumber and poles to the railway company and also allowing National Pole to supply other parties from the leased plant. Otherwise, it appears that prices of treated timber products will have to rise in price to a greater extent than costs to allow National Pole to discharge its own liabilities before showing any returns to M. & O. Paper Co.

In summary, it appears that the M. & O. outlook may best be regarded as a long-term hope, with bondholders in the position of equity owners. The future value of the equity will depend, to a large extent, upon price developments in newsprint and lumber industries.

This is the final article of a series on major newsprint companies in Central and Eastern Canada. Additional analyses of the industry and of individual companies and securities will appear next week in the pulp and paper issue of The Financial Post.

Woven into the SOCIAL FABRIC OF CANADA

Like a strand, intricately woven, the Canada Permanent Mortgage Corporation is an integral part of the whole social fabric of Canada. For 81 years it has been a vital factor in community development throughout the Dominion. It has proved a dependable guardian of Savings; has promoted confidence and encouraged national thrift.

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BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. SINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

Call Money Rates Vary

Banks Charge 4 and 4½%, Trust Companies 3½ to 4½%, Brokers 5½%

While call loan rate of trust companies in Montreal to reputable brokers has been 3½% since Aug. 1, no generally uniform rate prevails among Toronto trust companies. Rates in Toronto vary according to the nature of the securities and what funds the individual trust company may have for placement.

Banks' rates to brokers are generally 4% for loans secured by government bonds and 4½% on other securities. Both Toronto and Montreal stock exchanges have placed the lowest rate that members may charge clients at 5½%. Some brokers, however, continue to charge 6% on debit balances of their clients.

Toronto Variations

It is understood rates charged by Toronto trust companies on satisfactory corporation securities generally run from 3½ to 4½%, with variations of 3¾, 4 and 4¼%. One reason for lack of uniformity in the trust companies' rates at Toronto is that most of the loans are placed for clients on an agency basis. The wide variations in the requirements of the trust companies' clients and of brokers, particularly as to the supply of, and demand for, call loan money, result in the discrepancies in call loan rates.

Ordinarily, when their clients' borrowings are substantial, stock brokers obtain considerable revenue from negotiating call loans. At present, brokers are borrowing at 4½% and mostly charging clients 5½%, so that there is a difference of 1% accruing to the individual broker on the total of his clients' borrowings.

This income frequently goes a long way toward meeting overhead operating costs of commission brokers, but it has been at a rather low ebb because of the small volume of borrowing recently.

Before interest rates in general started their decline in Canada, banks charged 6% for call loan money and brokers charged their clients 7%. Trust companies were lending private funds at from 4½ to 6%.

Port Royal Pulp Plans Plant Addition

From Our Own Correspondent

MONTREAL.—Port Royal Pulp & Paper Co., of Fairville, N.B., is reported to be considering construction of a plant addition which will increase production of sulphite pulp and give employment to 50 or more additional men.

The plant extension is dependent upon an enlarged water supply being made available. This can be readily obtained, it is believed, through improvements to the dam at Menzies Lake at a possible cost of around $10,000.

Great Lakes Power Company
Limited

4¼% First Mortgage Sinking Fund Bonds
Series "A"—Due September 1, 1956

Price: 99.50 and interest, yielding 4.28%

The Company supplies hydro-electric power to the City of Sault Ste. Marie, Ontario, and to the surrounding area in the Algoma district. Revenues are obtained from diversified sources including industrial, commercial, domestic and mining consumers.

Fully descriptive circular available upon request.

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COMMON STOCK FINANCING

The use of equity stocks is often the proper solution of problems of corporate finance.

Among the common stocks listed on the Montreal Stock Exchange and Montreal Curb Market, the following are some of those for which this organization has acted as a principal in underwriting and distribution:

AGNEW-SURPASS SHOE STORES LIMITED
BELL TELEPHONE COMPANY OF CANADA
BULOLO GOLD DREDGING LIMITED
CANADIAN BRONZE COMPANY LIMITED
CROWN CORK AND SEAL COMPANY LIMITED
INTERNATIONAL MINING CORPORATION
JAMAICA PUBLIC SERVICE LIMITED
NATIONAL STEEL CAR CORP. LIMITED
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The experience and facilities of our organisation in this kind of financing are always at the disposal of corporation executives for the discussion of their problems.

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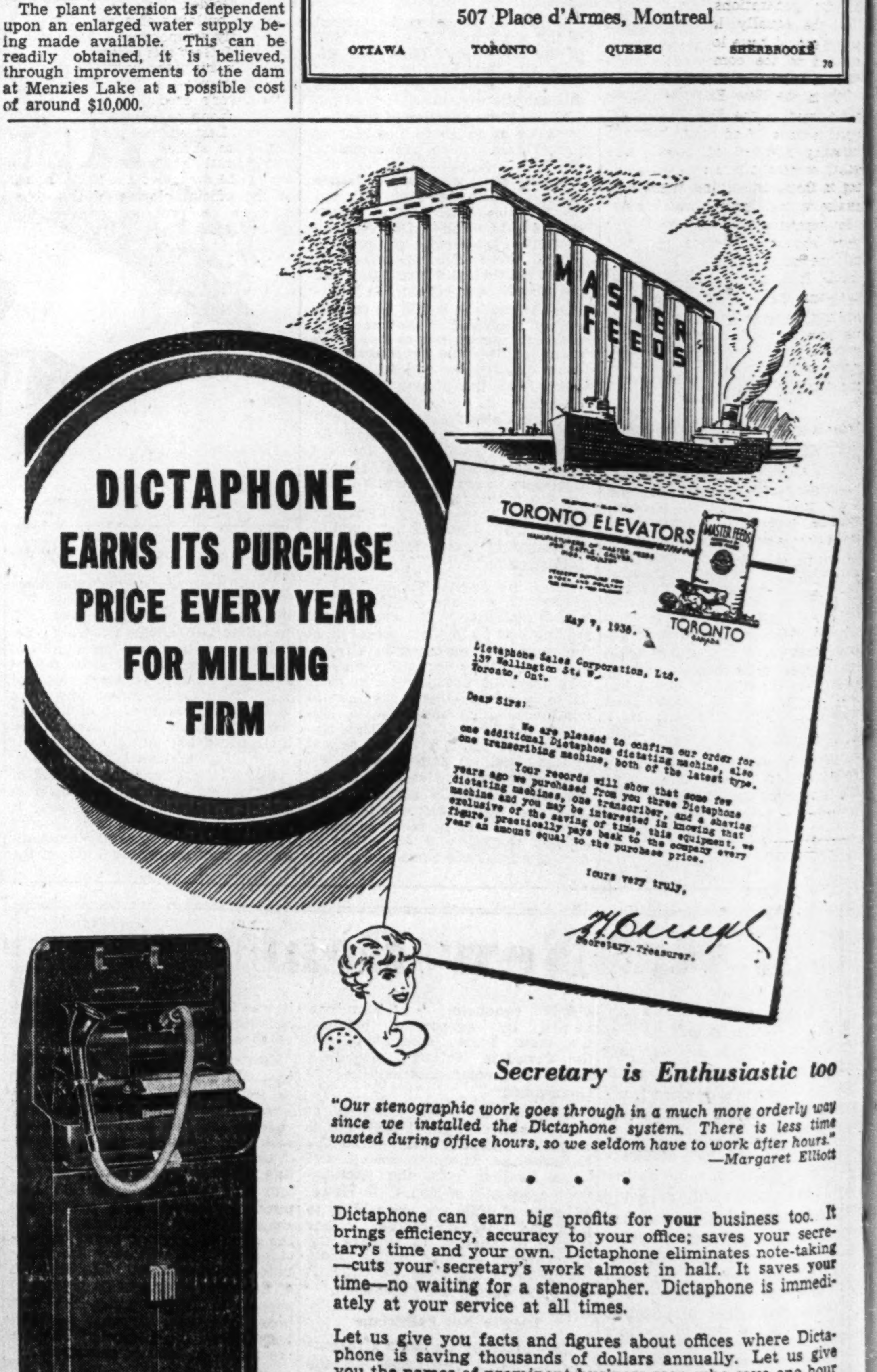

DICTAPHONE EARNS ITS PURCHASE PRICE EVERY YEAR FOR MILLING FIRM

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Secretary is Enthusiastic too

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—Margaret Elliott

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137 Wellington St. W., Toronto

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Bank Chat

Government Directors

NEWS of the week, in a banking sense, centred in the announcement of the Government appointees to the Bank of Canada board. For the most part, however, this final step in "nationalization" of the central bank may be regarded as a mere formality. As has been pointed out in The Post on various occasions, it is very unlikely that the switch in control from private to public interests will involve any change in administrative policies. It is even doubtful if actual change in control has been achieved in anything but a nominal sense.

Appointment of 6 additional directors afforded an opportunity to give representation to those parts of the country which had no member on the board. Thus, as had been expected, Alberta, Manitoba, New Brunswick and Prince Edward Island were each given a spokesman. Half the new appointees were taken from the industrial realm, one is a farmer, one an educationist and the other a director of one of the large loan companies.

• • •

No Sharp Corners

THE central bank can, with the present set-up, be used by the Government of the day as a tool for either deflationary or inflationary purposes, but until the attitude of the cabinet changes completely, no sharp corners will be turned. If it should happen that a subsequent federal election brought into power an unorthodox monetary party it could, presumably, make such changes as it needed to express its views in the financial policy of the day. Anything like that seems quite remote at present. The Bank has been functioning cautiously and quietly since its creation, and appears likely to continue so for some time.

• • •

"Cursed" Money

APPARENTLY the $2 bill superstition in the United States has developed into a national problem. Perhaps in this country we are less awed by the supernatural; most of us seem to feel that any bad luck attached to the deuce notes is much more than offset by our good luck in owning them.

The American Banker waxed very warm indeed in a recent editorial advocating withdrawal of the notes.

"The American people as a whole have loathed and detested the $2 bill for generations," it states. "Like the equally loathed 2-cent piece it should have long since been relegated to the comfortable oblivion of a numismatist's collection."

Only in the New England states, it is claimed, is the $2 bill still accepted in trade. And even there, an increasing number of people are tearing corners off the notes, spitting on them, or folding them cornerwise to take away the "curse."

But superstition is not the only reason why the American journal feels the notes should be discontinued. It contends that for most Americans the $2 bill is so unfamiliar that whenever they get one they have to go through some sort of rigmarole to impress on their minds that they must not let it go as just another dollar bill.

• • •

Frozen Assets

OF THE many plans which have been advanced to promote systematic saving, there is usually one to suit the requirements of each would-be saver. There are instances, however, when time-tried methods fail and special plans have to be devised — with varying results. Such a case has been reported by a Royal Bank man.

In this particular example, dime banks, heavy metal containers, in fact all types of gadgets which customarily are thrift aids, had proved of no avail. Invariably they were looted when the cash position had fallen temporarily to a low level. So the gentleman concerned evolved a plan of his own. Last fall, just before the first frost, he dug a deep hole in his backyard. In this he placed a 2-inch pipe to a depth of 4 ft., with one end just above the surface, and a slot large enough to take a 50-cent piece cut in the exposed portion.

Heavy winter frosts froze the pipe solidly in the ground, and very effectively withstood several attempts to dig up the improvised bank. Coins were dropped in the pipe until on in May when weather conditions permitted salvaging. Gloating over his savings and feeling certain that he had finally worked out an effective means of saving, the originator of the idea failed to note the approach of his wife. Result: A new dress for the lady—and a length of pipe for sale.

New Directors Central Bank Are Appointed

Government Programme Is Completed — Few Changes Expected

STOCK PURCHASED

Canada's central bank has finally been "nationalized."

Implementing legislation passed at the last session of the Commons, the Federal Government has taken up 100,200 shares of Bank of Canada stock, thus acquiring ownership of the majority of stock, and has named 6 new directors. The latter will each be entitled to 2 votes, ensuring government control, until the present quota of 7 directors elected by private shareholders has been reduced to 3. After that time each director will have a single vote.

Two appointments feature the Government slate. One is that of G. G. Coote, a farmer from Nanton, Alta. Prior to the 1935 election, Mr. Coote was for 15 years a member of the Dominion House of Commons, bearing the U. F. A. banner, and has long been an advocate of monetary reform. In recent years he has been an active supporter of "reflation." His appointment, lending a touch of unorthodoxy to the board, to some extent contradicts the suspicion in some quarters that government directors would be appointed purely for political ends.

Academic Representative

The second appointee who does not come from the business world is 38-year-old Robert McQueen, head of the department of economics at the University of Manitoba. His inclusion on the board carries out the intention of the Government to give representation to the modern academic approach to finance.

Others named to the bank directorate are:

A. C. Picard, Quebec, vice-president of the Rock City Tobacco Co.

Lt.-Col. Claude Brown, London, Ont., director, Huron and Erie Mortgage Corp. and the Canada Trust Co.

J. L. Holman, Summerside, P.E.I., vice-president of R. T. Holman Co.

F. Magee, Port Elgin, N.B., president and general manager of Fred Magee, Ltd.

Major Changes Unlikely

The choice of directors, as well as the method of nationalizing the bank, is viewed at Ottawa as a typical Mackenzie King move. Anxious to comply with a widespread demand for a bank controlled by Parliament, yet determined to withstand the demands of the social credit extremists and other inflationists, the Prime Minister has provided a compromise which, while it does not suit the radical monetary reformers, makes some concession to the current trend of public opinion. As was anticipated, no drastic changes in policy are forecast as a result of the appointments.

Economic Investment Trust To Pay 37½ Cents a Share

A dividend of 37½ cents a share has been declared by Economic Investment Trust, Toronto, payable Oct. 1 to shareholders of record Sept. 21. This compares with a payment of 25 cents a share on the same date in 1935.

Total payments from the 1935-36 year's earnings were 87½ cents a share, compared with 67½ cents a share from 1934-35 earnings. Earnings in the year ended March 31, 1936, were 97 cents a share compared with 75 cents in 1934-35.

Lost Money

Uncashed Cheques Are Reported by Royal Bank

Stratford Agricultural Society (Evelyn Barss) issued a cheque for $4.50 Oct. 6, 1930. The money is at the Stratford branch.

J. Morellow, of Toronto or Sudbury, issued a cheque in favor of **Park Blackwell Co.** for $83.90 Sept. 9, 1911. The money is at the Sudbury branch.

Mackie-Christie Co. of Bisco, Ont., issued 2 cheques or drafts—$40.92 and $28.79 dated Aug. 26, 1912, neither of which has been cashed and the money is at the Sudbury branch.

La Corp. du Collège Ste. Marie, probably of Sudbury, issued a cheque for $40, Oct. 20, 1912. The money is at the Sudbury branch.

Spanish River Pulp and Paper Co. issued a cheque in favor of **M. Kelly** for $12.40 July 19, 1918. The money is at the Sudbury branch.

Henry Furniture Co. of Sudbury, issued a cheque for $10 April 12, 1927. It was never cashed and the money is at the Sudbury branch.

New Queen's Hotel issued a cheque for $23 June 1, 1929, and the money is at the Sudbury branch.

Sun Insurance Co. issued a cheque for $17.57 Sept. 15, 1911. This money is at the head office, Toronto.

W. J. Burns Detective Agency issued a cheque for $12.98 Feb. 28, 1921 and the money is at the head office of the bank at Toronto.

Montreal Trust Co., 61 Yonge St., Toronto, issued a cheque for $50 March 11, 1922. The cheque was never cashed and the money is at the head office, Toronto.

The Ontario Cloak Co. issued a cheque for $40 May 19, 1923. The money is at the head office, Toronto.

Chi Delta Psi Bldg., issued a cheque for $100 May 25, 1923. The money is at the head office, Toronto.

The Union Trust Co. issued a cheque for $12.25 in favor of **M. R. Ridgeway** May 18, 1927. Mr. Ridgeway never got the money which is at the head office, Toronto.

Canadian Wrecking and Construction Co. issued a cheque for $50 Sept. 30, 1919 and the **Canadian Wrecking Co.** issued a cheque for $27.45 May 31, 1920. These cheques were never cashed and the money is at the Dundas and Chestnut Sts. branch.

The Toronto Bedding Co. issued 2 cheques—$30.55 May 23, 1922, and $25, May 29, 1922—which have never been cashed. The money is at the Dundas and Chestnut Sts. branch.

McGeer Still Keeps After Interest Cut

Hopes to Arrange For Refinancing in London

VICTORIA CHECKED

From Our Own Correspondent

VANCOUVER.—With the market for British Columbia bonds so improved that the Provincial Government looks forward to a day when it will be able to borrow in the open market, Mayor G. G. McGeer, of Vancouver, has started off on another interest-cutting expedition.

The Golden Jubilee celebration and the building of a new city hall were only temporary diversions for Mayor McGeer this summer. He had forgotten his fight for reduction in bond interest — a fight which put Vancouver's credit in a dark light on the front pages of many newspapers. Last spring Mayor McGeer agreed to shelve the battle of the bonds until the Golden Jubilee was out of the way. Within a few hours of the official closing of the celebrations he proposed to the city council a renewal of the campaign.

To Go to London

McGeer has been granted a leave of absence ostensibly to accept an invitation from the Lord Mayor of London to repay the visit made by the latter to Vancouver this summer. But McGeer's primary reason for making a trip to London now is to sound out the marketing for refinancing Vancouver's $74 millions debt at interest rates lower than the present 4.67% average.

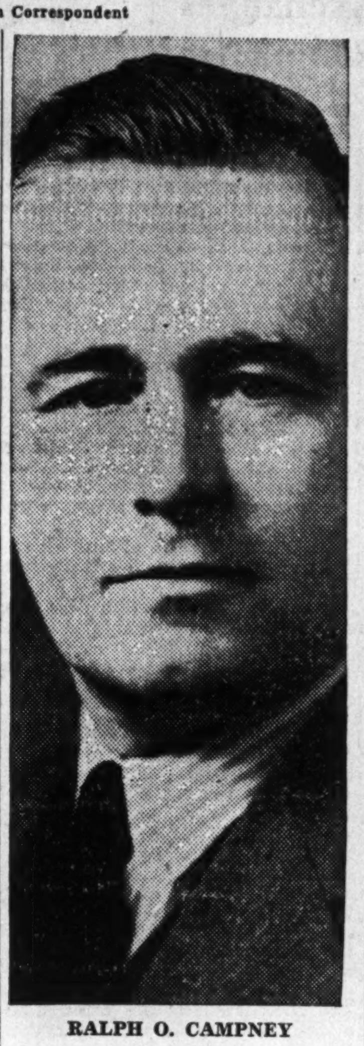
McGeer's plan is to get from English financiers an assurance they will advance Vancouver sufficient funds to pay off outstanding bond issues to be replaced by a conversion loan. The objective is to reduce by $800,000 per annum the amount Vancouver pays in interest charges. This could be done, the mayor believes, if new loans could be placed at 3%.

Injunction Checks Victoria

Victoria attempted a little interest-cutting party of its own when it planned to send Mayor Leeming, an alderman and a fiscal agent to London. The proposal was bitterly criticized as a "junket" and an injunction against the whole programme was granted in Supreme Court. Now a move is being made to disqualify Mayor Leeming as a result of the project.

King's One-time Secretary Receives Harbor Board Plum

From Our Own Correspondent



RALPH O. CAMPNEY

VANCOUVER. — Although this port hailed with considerable satisfaction the appointment of Ralph O. Campney as chairman of the created Federal Harbor Board, some surprise was felt over the selection of a man with limited practical shipping experience for the post.

Shipping men here had expected a man with a life-long association with port affairs and sea transportation would be named for the important job of administering the seaports of Canada, but they were reluctant to pass judgment on Mr. Campney's qualifications. They were delighted that a Vancouver man had been given the job, and in that single fact realized a hope long entertained, for in past years there has been a feeling here that the coast has been too much ignored in the appointment of Ottawa marine officials.

It will be Mr. Campney's aim to unify and co-ordinate the administration of Canada's ports which, prior to creation of the National Harbors Board, was entrusted to local commissions, sometimes dominated by political influence and parochial prejudices.

Chairmanship Unexpected

When the National Harbor Board was announced shipping men here hoped that a Vancouver man would be given a place of authority, but they had hardly expected the chairmanship would come here, chiefly because of past experience. It was for that reason that the recognition of Vancouver's claims as shown by Mr. Campney's appointment caused such cheerful surprise. Vancouver expects Mr. Campney will give a satisfactory account of himself at Ottawa, and that at last there will be someone in an influential federal office with some knowledge of the coast's problems.

Friends of Mr. Campney say that one of his chief assets is a fine brain that enables him quickly to get at the salient facts of the problem in hand. In various federal positions in the past he has shown energy and aggressiveness and a real talent for grasping complicated matters and making sense out of a mass of technicalities seemingly meaningless to the lay mind.

Although the last 7 years of his life were spent in Vancouver, Mr. Campney is Ontario-born, and he knows Ottawa as well as the coast, for he served as private secretary to Prime Minister Mackenzie King for a year and as private secretary to Hon. James Malcolm, minister of trade and commerce, for 3 years.

Born and brought up on a farm in Picton, Ont., he taught school near Picton for several years until deciding to make a study of medicine. In 1914 he entered Queen's University. He joined the university's medical corps and went to Egypt where he remained in active service for nearly a year. After several months on the western front he went to England to train for a commission, and in the spring of 1917 he returned to France with the 19th Infantry Battalion. He was wounded at Passchendaele. Recovered, he essayed another branch of the service and trained as an air pilot. At the armistice he was an instructor.

After the war Mr. Campney returned to Canada and resumed his studies at Queen's, but he abandoned the medical course and went in for arts, in which he quickly distinguished himself, winning several scholarships and prizes in economics. He entered Osgoode Hall in 1921, after graduation from Queen's, and was called to the Ontario bar in 1924. He practised for a while in Toronto and then entered upon a period of secretarial service at Ottawa, first as secretary to the Canadian delegation at the 1925 League of Nations meeting, then as aide to Mr. King and Mr. Malcolm.

In 1929 Mr. Campney went west to Vancouver with another Ottawa lawyer to establish a law office. Last spring he was appointed a commissioner to investigate a dispute between the Canadian National Steamships and stewards. The report is now being prepared.

Staff Changes

Royal Bank announces the following staff changes:

A. R. KYLE of head office has been appointed manager at Seigneurs St. branch, Montreal, to succeed R. E. SMITH who has retired on pension.

W. J. McFADYEN of superintendent's department, Vancouver, has been appointed manager at New Westminster, B.C., to succeed H. C. SEAMAN who has retired after 38 years service.

C. E. AMY, accountant at King and Spadina branch, Toronto, has been appointed manager at 1170 Yonge St., Toronto.

K. M. SEDGWICK of head office has been appointed assistant manager at Toronto.

Weekly Bank Clearings

	Sept. 10 1936 $	Change Year Ago %	Sept. 3 1936 $
Halifax	2,214,876	—12.4	2,538,092
Saint John .	1,473,922	— 4.0	1,756,495
Moncton	603,741	— 7.0	675,249
Sherbrooke .	545,655	— 9.6	626,635
Quebec	2,690,785	—48.5	4,224,589
Montreal ...	74,121,076	— 6.9	102,965,008
Ottawa	22,937,610	+26.0	18,750,584
Kingston ...	461,534	—12.0	544,079
Peterborough	615,427	—16.9	647,290
Toronto	86,612,427	—13.6	119,331,335
Hamilton ...	3,612,916	—15.3	4,463,375
Kitchener ..	824,094	— 5.4	1,157,562
Brantford ..	684,361	— 9.8	815,298
London	1,998,908	—27.6	2,794,557
Chatham ...	394,816	— 1.7	449,991
Windsor	2,133,158	+ 2.6	2,545,367
Sarnia	391,130	—18.0	410,537
Sudbury	745,219	—13.1	914,722
Fort William	679,423	+13.6	763,215
Winnipeg ...	63,682,769	+ 5.6	66,384,732
Brandon	376,820	+31.9	448,247
Moose Jaw .	701,711	+22.3	708,142
Saskatoon ..	1,650,492	+10.6	1,711,670
Prince Albert	377,202	+13.8	337,357
Edmonton ..	3,459,742	+ 1.1	3,902,230
Calgary	5,138,336	— 5.6	5,318,919
Lethbridge .	425,420	—23.5	616,438
N. W'minster	729,243	+18.7	670,350
Vancouver ..	14,102,223	+ 2.3	21,816,612
Victoria	1,486,774	— 2.4	1,726,639
Medicine Hat	255,096	—29.1	286,579
Regina	6,917,616	+45.8	6,372,919

Cumberland Railway Meets Sinking Fund

From Our Own Correspondent

MONTREAL.—Cumberland Railway & Coal Co. has deposited $30,757 with the trustee to be used for the purchase of its 5% first mortgage bonds under the terms of the trust deed. At the end of last year the company had outstanding $2,262,000 of these bonds.

Cumberland bonds are guaranteed as to principal and interest by Dominion Steel & Coal Corp. In addition interest and sinking fund are payable by Dominion Coal Co. under agreement.

Great West Saddlery Improves Showing

F. O. Mitchell, president of Great West Saddlery Co., reports operating profits for the 6 months ended June 30, 1936, of $20,687, after payment of bond interest, but before depreciation. This compares with operating profit in the 1935 period of $7,867.

Net profit for the period after allowing depreciation was $3,061, compared with a net loss of $10,651 in the first half of 1935.

Current assets are reported by Mr. Mitchell at slightly more than 6 times current liabilities.

Bank of Canada Weekly Statement

Total assets of the Bank of Canada advanced more than $9 millions in the week ended Sept. 9, due almost entirely to material increases in short-term security holdings and reserve held in the United States. These changes reflect an increase of $6.3 millions in note circulation and a net gain in deposits of about $3 millions. The rise in total deposits is attributable solely to greater balances of the government. Chartered bank accounts dropped $7 millions.

Balance Sheet

Liabilities	Sept. 9 $	Sept. 2 $
Capital paid-up	5,000,000	5,000,000
Notes in cir.	115,662,005	109,389,578
Rest fund	173,092	173,092
Dep.: Dominion	17,867,454	8,152,385
Banks	170,892,161	177,938,802
Other	927,632	520,539
Total deposits	189,687,247	186,611,726
All other liabs.	3,163,444	3,245,969
Total liabs.	313,685,788	304,420,365
Assets		
Reserve: Gold	179,491,175	179,540,066
Silver bullion	1,868,981	1,830,303
Res. in sterling ..	586,985	289,106
Res. in U. S.	6,472,685	1,959,083
Res. elsewhere ...	10,017	10,811
Total reserve	188,431,844	183,629,369
Subsidiary coin	211,796	191,422
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short..	39,671,651	35,154,090
Other Dom. govt..	79,619,869	79,729,580
Total invest.	119,291,520	114,883,670
Premises	265,320	265,269
All other assets	2,485,308	2,450,636
Total assets	313,685,788	304,420,366
Reserve ratio	61.71%	62.03%

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3-2

NOTICE TO DEBENTURE HOLDERS AND CREDITORS

Of the Former Municipalities of

EAST WINDSOR, WALKERVILLE, WINDSOR AND SANDWICH

And Debenture Holders of Walkerville — E. Windsor Water Commission

NOTICE OF APPLICATION TO THE ONTARIO MUNICIPAL BOARD

In the matter of "The Department of Municipal Affairs Act, 1935" and in the matter of "The City of Windsor (Amalgamation) Act, 1935" and in the matter of the application of the Windsor Finance Commission for an order for funding and refunding the debts of the amalgamated municipalities of East Windsor, Walkerville, Windsor and Sandwich.

TAKE NOTICE that the Windsor Finance Commission have this day filed a Plan for Funding and Refunding the debts of the Amalgamated Municipalities of East Windsor, Walkerville, Windsor and Sandwich and have applied to the Ontario Municipal Board for an Order of the Board approving, authorizing and confirming the said Plan and ordering the same to be binding upon all persons affected thereby;

AND FURTHER TAKE NOTICE that the Board intends to deal with this application at its Board Room in the Parliament Buildings, Toronto, on Tuesday, the twenty-second day of September, 1936, at the hour of eleven o'clock in the forenoon and that the Board, if the facts and conditions shown so warrant, intends to exercise any or all of the powers conferred upon the Board under Section 33 of "THE DEPARTMENT OF MUNICIPAL AFFAIRS ACT, 1935."

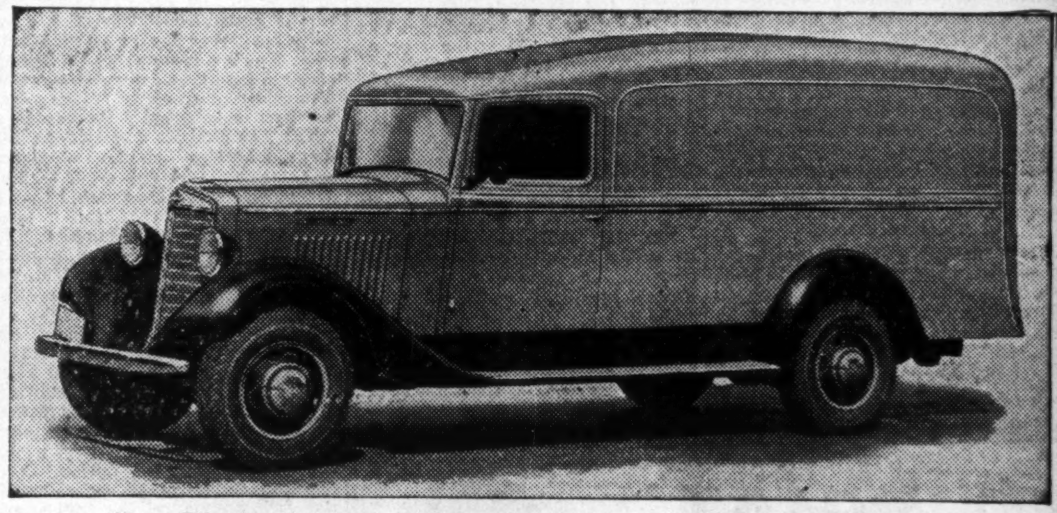
DATED at Toronto this seventeenth day of June, 1936.

(signed) Eric W. Cross,
Chairman

(signed) M. B. Sanderson,
Acting Secretary

Debenture Holders or Creditors desiring detailed information of the Plan should address their inquiries to the Fiscal Agent:—

C. W. McDIARMID,
Canada Building, Windsor, Ontario
Metropolitan Building, Toronto, Ontario



Above: This view shows the new International Model C-15 Truck with standard streamlined panel body providing ample space for light, bulky loads.

The INTERNATIONAL Model C-15 —
a ¾ to 1-ton truck that brings you
NEW Style, Beauty, Economy and Performance

The beautiful Model C-15 offers a new combination of truck features of unusual interest to retailers, laundrymen, dairymen, bakers, and others. It has a 6-cylinder engine, 136-inch wheelbase, synchro-mesh transmission, and full-floating rear axle, providing capacity and load space for almost any light, bulky load you'll ever want to haul. Its modern V-type radiator grille, sloping windshield, valanced fenders, and steel ventilated disc wheels are beauty details that make people notice and admire this International Truck wherever it goes. Standard and special bodies can be supplied to meet every requirement, the body shown above being an excellent example.

Back of the new International Model C-15 is more than 30 years' experience in building trucks for commerce and industry. Also guarding your International Truck investment, is the nation-wide International Harvester service organization with direct factory branches in all of the cities listed below and well-established International Truck dealers at hundreds of other points.

For further details, phone the nearest International Truck representative or write to the address below. Internationals are available in sizes ranging from the Half-Ton Light Delivery Truck to the big Heavy-Duty Six-Wheelers.

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HAMILTON ONTARIO

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INCORPORATED UNDER THE QUEBEC MINING COMPANIES' ACT.
(No Personal Liability)

CAPITALIZATION:

Authorized ($1. par value) .... 3,000,000 shares
Issued, all Pooled .... 1,500,000 "
This issue .... 300,000 "

OFFICERS and DIRECTORS:

THOMAS G. POTTER, Montreal .... President
J. E. W. BISSONNETTE, Montreal .... Vice-President
EDWIN T. DEANE, Amos, Que. .... Director
A. J. WOOD, Montreal .... Director
LOUIS FRANCOEUR, Montreal .... Director

Solicitor:
LEOPOLD CHOQUETTE, Montreal

Transfer Agents and Registrars:
THE EASTERN TRUST COMPANY

Auditors:
MESSRS. P. S. ROSS & SONS

Full details will be furnished on request.

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Ottawa MONTREAL Toronto
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231 St. James Street West
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This issue having been underwritten, the Treasury of the Corporation has already received payment or commitment to pay, consequently the proceeds of this sale will not go into the Treasury of the Corporation whose shares are herein offered to you.

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Newcomers in Stocks

Listings of American Securities on Canadian Exchanges Require Investors to Become Acquainted with Companies

In addition to new listings of Canadian securities, several share issues of American companies have become direct investment media for Canadians in the past year.

The operations and personnel of these companies are less well known to Canadian investors than those of the older line companies whose shares have been listed for many years on Canadian exchanges.

List U. S. Issues

New security listings on the Toronto and Montreal stock exchanges this year include among the more popular securities the common shares of Crown Cork & Seal Co., Electrolux Corp., Burry Biscuit Corp., Pantapec Oil Co., Canadian Wallpaper Co., and the 5% first preferred shares of Carnation Co.

John A. Lang & Sons shares have not yet been listed on the Toronto Stock Exchange, but this issue is included for analysis in this article because application for listing is being made.

Tax on Dividends

Canadian investors should note that on dividends received from these U. S. companies, the American government deducts at the source a tax of 10%. This may be reduced to 5%, however, by negotiations between the Canadian and U. S. governments now under way.

Additional listings of American securities on Canadian exchanges are expected to be forthcoming. There are two main reasons for this. First, Canadian listing allows some escape from U. S. taxes on stock market profits and second, some of the more troublesome regulations of the U. S. Securities and Exchange Commission are avoided. This latter fact makes it necessary for the Canadian investor to ascertain that adequate information is available before going into some American securities.

Brief analyses of these 7 companies follow:

Electrolux Corp.

Electrolux Corporation, Dover, Delaware, whose common shares were listed on the Montreal Stock Exchange in January, is a holding company. Its sole operating subsidiary, Electrolux Inc., New York, manufactures and distributes in the United States electric vacuum cleaners under the trade name "Electrolux." The company's total revenue is derived from dividends, interest on promissory notes and royalty payments from Electrolux Inc.

The only plant and real estate is owned by Electrolux Inc., consisting of 7 acres at Old Greenwich, Conn., where the factory is located. Sales of the cleaners are conducted throughout the United States exclusively by house-to-house commission salesmen. Electrolux Inc. carries the discount paper of its own installment-buying customers. Consequently, in total current assets of $6.4 millions at Dec. 31, 1935 these installment accounts totalled $4,652,000. In addition to profits from operation, therefore, revenue is derived from the financing of installment accounts. Working capital at the close of 1935 was approximately $4,364,000.

The entire capital stock of the Electrolux Inc. is $50,000, comprised of 500 shares of $100 each, all held by Electrolux Corp. which, itself, has outstanding nothing but the $1,237,500 shares of $1 par value each.

Earnings Record

The holding company was only organized in 1931, so that complete earnings records since 1924, when Electrolux Inc. first started to market vacuum cleaners in the United States, are not available. However, for the 3 years ended with 1935, the earnings record is impressive, as shown below:

Electrolux Corp. Net Profits

	Net profit	Per share	Divs. paid
	$	$	$
1933	980,446	0.79	0.71
1934	1,896,940	1.53	0.94
1935	2,807,804	2.27	1.20

In the 6 months ended June 30, 1936, net profit was $1.26 a share on the common stock, compared with $1.12 a share in the 1935 period.

Since the shares were listed on the Montreal Stock Exchange, they have sold as high as $28½, and the low has been $19 3/8. Considerable public interest has been aroused by the company's increasing dividends. The regular dividend rate is $1.60 a share annually and extras of 10 cents a share have been declared for the last 2 quarters. Yield from the current dividends, at present price of the stock, after allowing 10% for U. S. taxes, is about 6 2/3%.

Crown Cork & Seal

Crown Cork and Seal Co. common stock was listed on the Montreal Stock Exchange last January. This is not the first time that the company's stock has been traded on a Canadian exchange. Back in 1928 a block of the Crown Cork shares was put on the market by Greenshields and Co., but the following spring all the stock in the Canadian company was exchanged for that of Crown Cork International Corp.

The present company (a subsidiary of Crown Cork International) was incorporated in Ontario last November to take over the business of a company with a similar name, but holding a Dominion charter.

Original operations were begun in 1903 as a branch of the Crown Cork and Seal Co. of Baltimore City, doing business in Canada under the name of Aluminum and Crown Copper Co. with a plant in Toronto. In 1907 a more modern plant was built in the same city and in 1930 the name of the Canadian business was changed to Crown Cork and Seal Co., but continued to operate as a branch of the American company.

Offered in 1928

In the post-war period the Canadian business was incorporated under Dominion charter as a private company. In 1928 the company was changed to a public company and stock offered to the public. In the spring of 1929 the Canadian unit became a wholly-owned subsidiary of Crown Cork International. The next change came last fall when the business was transferred to the present company.

Crown Cork owns and operates plants at Toronto and Montreal for the manufacture of metal bottle caps and seals, and also acts as jobbers for capping and filling equipment for use in the bottling trade. It is the largest unit in its field in Canada, while the parent company controls subsidiaries in many foreign countries and is the largest operator in its field in the United States.

Profits Increase

Net profits of the business, after income tax, amounted to $117,316 for 1935. This was in contrast to a net profit of $84,780 in the previous year. At present the company is paying a quarterly dividend of 20 cents a share, making an annual distribution of 80 cents a share compared with earnings of $1.17 a share last year. The company has a record of continuous dividend payment throughout the depression years.

The last balance sheet, dated December 31, 1935, reveals a strong financial position. Assets total $819,403, of which current accounts amount to $508,403. Properties are carried on the books at a depreciated value of $250,000. Current liabilities amount to only $40,605, while net working capital totals $467,798.

Since Crown Cork and Seal stock was called for trading on Feb. 3 last, the market price has ranged from 15 to 18, with the current quotation being from 17 to 18, yield being about 4.5%.

Carnation Co.

Carnation Company has become of increased interest to Canadians, first because its 5% first preferred shares have been listed on the Toronto Stock Exchange, second because it features 5 famous Canadians, the Dionne quintuplets, in advertising its evaporated milk.

Incorporated in 1920 under Delaware laws as Carnation Milk Products Co., the name was changed to the present one in 1929. The business was established in 1899 by E. A. Stuart, who is now chairman of the board. The company and subsidiaries prepare and sell evaporated, condensed and other forms of preserved milk, fresh dairy products, cereals and feeds. Markets are chiefly the United States and Canada.

Capital Stock

Capital consists of $3,889,200 of 5% preferred stock, in shares of $100 each. These are quoted around 102½, yielding 4.4% after allowing for the U. S. dividend tax of 10%. The 609,586 common shares are traded on the New York Curb Exchange around $26 each and pay dividends of $1 a share at present. There is little Canadian investment interest in the common. There are no bonds. Working capital was approximately $8.2 millions early this year, and net assets securing the preferred were $447 per share.

After allowing generous provision for depreciation and obsolescence, and providing for income taxes, net profits available to cover the annual preferred dividends of $194,460 have been:

Carnation Co. Net Profits

Year	$	Year	$
1926	1,956,036	1931	1,281,509
1927	1,829,906	1932	*644,278
1928	1,317,936	1933	1,005,600
1929	1,049,108	1934	1,032,206
1930	1,319,629	1935	1,140,211

*Loss.

The earnings record makes the net yield of about 4.4% on the preferred reasonably attractive in comparison with present bond yields. Although the preferred sells at a premium, it is below the redemption price which is $105 a share up to and including 1940, $104 from 1941 to 1945 inclusive, and $103 a share thereafter.

John A. Lang & Sons

Common shares of John A. Lang & Sons Ltd., Kitchener leather manufacturers, have only recently made the acquaintance of Canadian investors. From incorporation in 1924 to July of this year, when a public offering of 59,500 common shares was made, the company was operated as a private concern. The shares offered to the public were purchased from individual shareholders by McLeod, Young & Weir and Greenshields & Co. Inc.

Incorporated in 1924 the company has been profitable from the outset. In spite of the general difficulties of the depression years, the company has never had an unprofitable year. During these years important changes were made in processes and products and capacity of the plant has been substantially increased.

The company is engaged in the manufacture of leather used for workmen's gloves and other leather garments, and it is estimated that it produces over 75% of leather used in Canada for this purpose. Its products are used in the mining, lumbering, building, agriculture, steel and iron, telephone and electrical industries.

Late in 1935 the company expanded its operations to the United States, establishing Frontier Tanners Inc., a wholly-owned subsidiary at Buffalo, N.Y. The operations of the subsidiary are being conducted on leased premises on which the company has an option. It is not intended to make any substantial investment in the subsidiary until operations have been put on a profitable basis, prospects for which are considered favorable.

Has Low Capitalization

Capital of the company is small, consisting of only 100,000 common shares, no par value, all of which have been issued.

Total assets of the company at Dec. 31 last, after deducting plant depreciation reserve of $92,480, amounted to $642,451. Working capital position is strong, current assets amounting to $493,645 and current liabilities to $41,240.

Equity of $6 a Share

Equity per share of common stock outstanding at the end of 1935 amounted to slightly over $6 while the offering price of the common shares was $12 a share. As pointed out in the prospectus, the valuation of the stock is based on demonstrated earning power and not on assets.

Beginning Oct. 1 next with a quarterly payment of 17½ cents a share the stock is being placed on a dividend basis of 70 cents per share annually. On the basis of the offering price the yield is 5.8%.

Earnings Record

In 1935 the proposed dividend of 70 cents a share was covered by a wide margin net profit amounting to over $120,000, or $1.20 a share. During the first 5 months of 1936 sales increased by approximately 50% so that earnings should be substantially higher this year. Should business recovery continue there appear to be good prospects of earnings and dividends increasing. Average annual earnings since 1925 have been equivalent to 92 cents a share.

Net operating profits after all expenses, depreciation and income taxes, for the past 10 years have been as follows:

Earnings

	$		$
1935	120,062	1930	▲98,024
1934	62,854	1929	177,747
1933	29,972	1928	177,045
1932	34,786	1927	106,921
1931	*47,164	1926	66,206

*For 8 months ended Aug. 30, 1936.
▲For 16 months ended Dec. 31, 1931.

Canadian Wallpaper

An offering of class "A" and "B" common shares of Canadian Wallpaper Manufacturers Ltd. in March of this year, followed by listing on the Toronto Stock Exchange early in July, has created a public investment interest in this company's stock. This offering and one of class B shares in September, 1935, did not represent new financing by the company but a change in ownership of outstanding capital.

Incorporated in 1927 to acquire the capital stock of 4 independent wallpaper manufacturing concerns in Canada, The Reg. N. Boxer Co. Ltd., Stauntons Ltd., The Watson, Foster Co. Ltd. and Colin McArthur & Co. Inc., the company is the largest producer in its field in Canada. The consolidation was arranged by Wallpaper Manufacturers Ltd., an English concern which holds a substantial stock interest in the company.

The company is a holding company operating through the 3 above named subsidiaries, which have plants in Montreal, New Toronto and Toronto. A new plant is in the course of construction at Leaside, Ont., at an approximate cost of $400,000. Wholesale and retail outlets are operated by the subsidiaries through Empire Wall Papers Ltd.

Has Class A and B Shares

The company's outstanding capitalization consists of 23,342 class A shares and 105,904 class B shares. In addition, it has $168,000 of 7% collateral trust serial bonds of an original issue of $567,000. Since these are held by wholly-owned subsidiary companies they do not appear as a liability in the consolidated balance sheet.

Class A and B shares rank equally in all respects save voting. The class A shares have no vote while class B carries one vote per share. The class B shares are convertible at any time at the holder's option into class A stock on a share-for-share basis.

Like other concerns Canadian Wallpaper Manufacturers suffered a decline in earnings during the depression, but despite this has been able to maintain a strong financial position. Working capital at April 30 1936, amounted to $1.4 million and total assets to $3.3 millions.

Earnings per share for the fiscal years ended April 30, 1929 to 1936 inclusive have been as follows:

Earnings Per Share
Years Ended April 30

1936	$1.69	1932	$0.04
1935	1.87	1931	1.58
1934	1.06	1930	2.82
1933	nil	1929	2.00

Note—Operations in the year ended April 30, 1933, resulted in a deficit of $131,479. Per share earnings for the years 1932-29 inclusive are unofficial figures issued by Cochran, Murray & Hay, Toronto investment firm.

Dividends paid in any fiscal year are charged to the accounts of that year. Thus the payment of $1.25 a share made in June, 1936, will be charged to the accounts for the year ending April 30, 1937. The amount of the payment, however, is based on results of the previous fiscal year. Dividends for the fiscal years 1932-37 inclusive are as follows:

Dividends Paid in Fiscal Years
Class A and B

1937	$1.25
1936	1.25
1935	0.75
1934	nil
1933	nil
1932	1.00

Pantapec Oil Co.

Pantapec Oil Co. of Venezuela has 2,273,935 shares of $1 each which were listed on the Toronto Stock Exchange this year. The shares are also listed on the New York Curb. It is a holding company primarily interested in its 90.35% ownership of stock of Pantapec Consolidated of Venezuela, Inc. The latter company itself is a holding company so that a study of the company's affairs carries back to the following subsidiaries: Pantapec Oil Fields Corp., Venezuelan Pantapec Co., American Venezuelan Oilfields, Compania Maratime Paraguana, Corporacion de Tierras de Falcon, Alamo Oil Corp. and Boliva Oil Concessions, Petroleum Corp. of Venezuela (59.21% owned) and Compania Anonima de Petrol eo Canaura.

The company has a drilling contract for 6 wells with Standard Oil Co. of Venezuela which became operative June 29, 1935. Through its 59.21% interest in Petroleum Corp. of Venezuela it has control of 5 leases in the East Texas field having an area of 240 acres and on which 29 producing wells with an average allowable production of 19,800 barrels were reported in the annual statement. It owed $128,871 on this property but this was to be liquidated in September out of oil produced and sold from leases.

At the end of 1935 company's assets were shown in the consolidated statement at $26.5 millions of which only $210,000 represented cash, accounts receivable and furniture. The remaining $26.3 millions represents concessions, interest in concessions, port properties and investment in Petroleum Corp. of Venezuela. Against these assets is a liability of $1 million for 6% notes maturing 1939 protected by shares of subsidiary companies as collateral. The minority interest in Pantapec Consolidated of Venezuela, Inc,. is shown at $2.7 millions.

If the 6 wells being drilled by Standard Oil of Venezuela turn out well it will proceed with more wells on the 1 million acres turned over to it under contract. With this 1 million acres now managed by Standard Oil of Venezuela the company has 1.3 million acres and a port site in Northern Venezuela. Only 2 wells have been drilled by Standard. One at 6,000 feet proved inconclusive, the second brought forth very encouraging intimations of an official character but nothing definite as to production. An investment in the shares depends for its success upon exploration and development of oil fields of some speculative promise.

Burry Biscuit

Burry Biscuit Corp., Linden, N.J., is a Delaware-incorporated company producing biscuits and crackers. The outstanding capital is 10,000 preferred shares of $50 each, and 400,000 common shares, each of 12½ cents par value. The preferred is convertible, 1 share for 8 common.

Both preferred and common are listed on the Toronto Stock Exchange and the common is traded on the Detroit Stock Exchange. Market value of the preferred fluctuates with the common because of the conversion privilege. The preferred dividend of $3 a share is being paid regularly.

The company was incorporated in its present form last year and current earnings operations date from Jan. 11, 1936. The year ends Oct. 31 next, so that the first statement will show only part of one year's earnings.

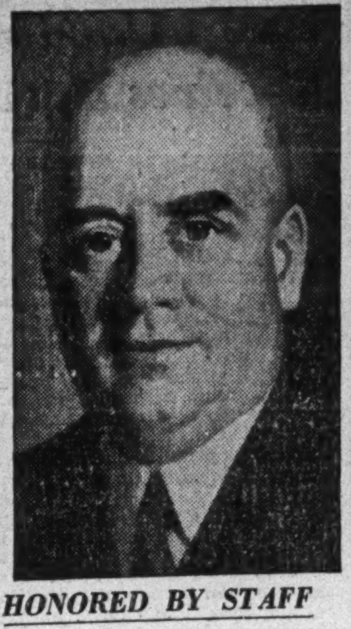
There are 2 subsidiaries. Educator Biscuit Co., Chicago, is 81¼% owned and operates under the same management as the parent company. It manufactures various "Educator" brand crackers which are also known in the Canadian market. Burry Biscuit Corp. (Western) is wholly owned and distributes the parent company's English-type biscuits in middle western states.

Both Plants Leased

The Chicago plant is held under lease until 1946 with option to purchase. The Linden plant lease is renewable until 1945, also with purchase option. Both are modern brick and concrete structures.

Equipment includes 3 travelling ovens 200 feet long at Chicago, a double travelling oven, 166 feet long, at Linden, where also a new 375-foot oven, believed the world's largest, has just been installed. Capacity, therefore, has been considerably increased. Liquid assets, including over $200,000 of government bonds, are about 5 times current liabilities.

Although the Burry organization in its present form is comparatively young, its sales have been rising and increased plant facilities allow considerable scope for sales and earnings expansion within the next year.



HONORED BY STAFF

On Sept. 15 Frank Hunnisett, president and managing director of Frank Hunnisett Ltd., Toronto, meat packers, celebrated his 65th birthday. It also marked the 45th anniversary of the founding of the company. To celebrate the event the staff presented him with his portrait shown above. It was painted by Charles MacGregor, O.S.A.

Mont. Trams Traffic Up .5%

More Favorable Trend May Help Commission to "Break Even"

From Our Own Correspondent

MONTREAL. — Revenue passengers carried by the Montreal Tramways Co. in the first 8 months of 1936 numbered 113.5 millions, an increase of about half of 1% over the like period of last year.

Fares have remained constant and miles operated practically the same, so that net revenue for the period is much the same as reported a year ago.

Returns for the full year will depend very largely upon climatic conditions during the balance of the year, and to an improvement in employment. Rain and snow tend to increase traffic, but, at the same time, add to operating expenses. However an increase in industrial operations would bring about a gain in traffic which would be the deciding factor in determining earnings.

Deficit Last Year

Last year the Tramways Commission reported gross revenue of under $12.4 millions, a decrease of about $80,000 from 1934. Under the terms of the contract between the Commission and Montreal Tramways, the company, having provided the funds for the capital investment, has the first claim on earnings. Last year the Commission had a deficit of $647,292, consisting of $147,292 due and unpaid to the company, and $500,000 in rentals owing to the city.

At this time it is too early to say whether or not the Commission will be able to break even on the 1936 operations.

Property Kept Up

For the first 8 months of this year, Montreal Tramways spent about $250,000 on construction, laying of new tracks, maintenance, etc.

It is expected that the new trolley buses will arrive from England early in the new year and will go into operation immediately. Should these buses prove satisfactory to the travelling public, extensive use of this type of service will probably be undertaken.

General Finance Opens Branch in Fredericton

From Our Own Correspondent

MONTREAL. — General Finance (Saint John) has opened a branch office in Fredericton, under the name of Personal Loan and Finance Ltd. The company is under the direction of G. W. Kitchen, mayor of Fredericton. George J. Smith, president of General Finance (Saint John) has been appointed vice-president and Nelson Rattenbury has taken over the managership of the Fredericton office, as well as being secretary-treasurer. Other members of the board are: E. C. Atkinson, Dr. A. L. Gerow, P. Levine and L. D. Morris, managing director of General Finance Corp.

Associated companies are already operating in Halifax, Yarmouth, Kentville, Mahone Bay, Glasgow, Moncton and Sydney.

Dominion Tar Profits Jump

Returns For 7 Months Up 76%; Full Year Gain Likely to Be Less

From Our Own Correspondent

MONTREAL.—Dominion Tar and Chemical Co.'s earnings available for depreciation bond interest, etc., amounted to $496,709 for the 7 months ended July 31, 1936, according to the auditor's statement accompanying the prospectus covering recent financing. This compares with earnings, on the same basis, of $281,730 in the first 7 months of 1935. The increase is equivalent to 76%.

A proportionate increase for the balance of the year would give the company a gross operating profit of over $1.5 million, which after taking care of depreciation, taxes, bond interest and underlying dividends, would be more than sufficient to cover dividends on the outstanding preferred. However, auditors state earnings in the balance of the year may not of necessity be proportionate to the results achieved in the 7 months period. Prospects are that net income will come close to equalling $6.50 a share on the preferred stock.

Add to Share Profits

Earning power back of the preferred is further strengthened by the redemption of the old debentures and their replacement by bonds carrying a lower interest charge. The saving on interest is estimated to be about $61,000 a year, or more than $1 a share on the preferred.

Changes in balance sheet position at the end of July, 1936, compared with December 31, 1935, are not of a major character. Accounts receivable advanced from $755,272 to nearly $1.5 million, indicating the greater volume of business being handled this year. The books show a current bank loan of $245,000 which will likely be liquidated before the end of the year. The outstanding preferred stock of Alberta Wood Preserving Co., a subsidiary, has been reduced from 2,742 to 2,663 shares.

Acme Glove Sales Well Maintained

Current Position More Normal and Stabilized, Says President

From Our Own Correspondent

MONTREAL.—Volume of business handled by Acme Glove Works this year to date has been at approximately the same level as reported a year ago, according to J. D. Oulette, president. This was after giving effect, he says, not only to the variable character of the spring and summer seasons this year, but more particularly the serious crop damage that has occurred in various sections of the Prairie Provinces, resulting in cancellation of a moderate amount of orders from merchants and distributors in the affected areas. In other parts of the west, bookings have held up particularly well.

As far as Acme Glove Works is concerned, the position at the moment, according to Mr. Oulette, is more normal and stabilized than in some years, and, given reasonably good climatic conditions, sales results during the remaining 4 months of the current period should perhaps show a fair increase over a year ago.

Stanfield's Plans To Call Preferred

From Our Own Correspondent

MONTREAL. — Application has been made by Stanfields Ltd., Truro, N.S., woollen manufacturer, for a reduction in the capital structure.

The proposal was originally submitted to shareholders August 17 last when they were asked to approve redemption of 10,000 preference shares of a par value of $40 each. Funds for redemption are to be raised from the proceeds of the sale of $200,000 of company bonds and the balance from cash on hand. The redemption date is Dec. 15, 1936. Upon redemption of the preferred, the only capital stock will be 12,000 shares of no par value common, of which 10,000 have already been issued and paid up.

The reduction plan was unanimously approved by the shareholders at a special general meeting September 1.

There is no definite information as yet on whether or not the company will make a public offering of the new bonds. It is possible the bonds will be hypothecated with the bank for a loan to be used in redeeming the preferred stock.

WHAT IS THE SEPARATE SCHOOL QUESTION ?

Hardiest and prickliest of all Canadian political perennials, the separate school problem is causing a rumpus in Ontario. It has caused trouble in other provinces in the past.

Just what is this problem? Few people have a clear understanding of the issues involved, of the different points of view. In September 15 Maclean's, Archibald Lampman outlines the whole question in clear terms and without bias.

AND IN THE SAME ISSUE

● Writing bluntly, dealing with FACTS, S. E. McGorman applies the common sense of a trained engineer to the faults in our economic system — and tests, with the same common sense, the quack remedies that have been offered on all sides to cure our economic ills.

● There's excitement in the story of Canada's shipping business on the Great Lakes. You will be surprised and interested in the statistics that Royd E. Beamish presents in his article on the Twin Ports.

September 15 Issue Now on Sale

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Sun Life Recovery Viewed by A. B. Wood

Assets Gain $40 Millions and Business in Force Up $30 Millions, Leaders Are Told

A gain of $40 millions or 6% in total assets of Sun Life of Canada since the first of the year.

A $30 millions gain in business in force. A drop of 20% in surrender values paid.

A $750,000 increase in cash dividends on stock investments during 1936.

An increase in rate of interest earned and in surplus earnings for the year.

These are highlights of Sun Life experience for the year to date as reported by Arthur B. Wood, president and managing director of the company, speaking to leading agency producers assembled this week at St. Andrew's under the auspices of the company's Macaulay Club.

Assets Now $740 Millions

"Since early in 1931," said Mr. Wood, "the assets have increased by $158 millions, of which over $40 millions has accrued during the current year. Total assets at present are approximately $740 millions—an all-time high.

"Notwithstanding the substantial amount of our new investments in high-grade bonds at low rates of interest during 1935, we were nevertheless able to show a slight increase in the average return upon our total investments. This experience is continuing during the current year and although the yield on new bond and mortgage investments has fallen still further, we anticipate that the rate of interest earned by our company will again show an increase in contrast with the general trend.

Cash Dividends Up $750,000

"In the process of recovery from the depression, while returns on every other type of security have continued to decrease, the dividends on common stocks are gradually increasing. As I pointed out at the last annual meeting, the increased dividends received by us during 1935 were sufficient to offset the fall in the rates yielded by other classes of investments. During the current year to date cash dividends on our stock investments are three quarters of a million dollars in excess of the amount received during the corresponding period of 1935.

"The stabilizing effect of these increased dividends upon the average rate of interest during a period of falling interest rates is apparent. As general business conditions continue to improve, further increased revenue from this class of investment may be confidently expected.

Business in Force Up $30 Millions

"In other respects also the company's progress has been not only satisfactory but impressive. During the current year, surrender values paid have declined by 20% and the policy loan account is continuing to decrease. The lapse rate is materially lower and the business in force shows an increase of more than $30 millions since December 31 last.

"In this connection the growth of our group business has been an important factor, not only on account of new policies issued but because of increased coverage on existing policies.

"Our new business paid for, although slightly less in volume, is very much improved in quality, and it is particularly noteworthy that much larger proportions are being issued on the participating plan and on the annual premium method of payment.

"The economies whch have been effected in recent years have further reduced our expenses to the lowest point in our history. Our mortality experience continues at a very satisfactory level, although it shows a slight increase over last year.

"Taking all factors into account, including profit derived from the sale of securities, our surplus earnings are even greater than last year."

Business Prospects

Since prospects for business improvement are of first rate importance to life insurance underwriters, Mr. Wood discussed at some length the current business situation on this continent and throughout the world.

"The promise of a continued advance is everywhere evident," he said, "a noteworthy feature on this continent being the improvement in durable goods industries — with building, machinery and iron and steel companies reporting earnings more than 100% larger than the corresponding period of 1935, and an increase over last year of 52% in combined earnings of 400 industrial corporations.

International Outlook

"After 7 years of depression the international outlook is still obscured by political rivalries and nationalistic tendencies which will continue to have a restraining influence on world recovery. These tendencies, and the uncertainties they engender, are reflected in the largely accelerated armament programmes of practically every country. While all lovers of peace may deplore this result and its manifest dangers, its immediate effect has been to stimulate internal trade, and to produce a marked if perhaps temporary prosperity reaching out to all forms of industrial activity. While the price of this development has yet to be paid in the form of increased taxation, the immediate effect is reflected in increases in employment, and a marked advance in wage levels.

"So far as the exchange values of the currencies of the leading trading nations are concerned, comparative stability has been reached and price levels have become better adjusted to one another. The increase in gold production appears to have removed the danger of an inadequate supply of this metal to support the world's currency systems. International indebtedness has been reduced, and interest rates are at their lowest point for many years, with a corresponding relief of public obligation. For the first time since the depression set in, prices have shown a tendency to rise, particularly in connection with primary commodities which were most severely depressed.

Morale Greatly Improved

"The returning morale of our people, resulting from the improvement in general busines conditions, is of the greatest significance. Except in certain localities there is to be discerned a definite trend in public opinion away from radical and unsound measures toward the more orthodox methods of procedure which have stood the test of time.

"A large element of radical thought may be anticipated for some time but its influence may be expected gradually to diminish. These radical tendencies should be regarded merely as evidence of a temporary condition brought about by severe hardships and discomforts.

Insurance Sales Problems

"It is surprising that with the substantial recovery that has already taken place with the consequent reduction of unemployment and increase in average income, the sale of life assurance has not shown a greater advance. An explanation which I think is a plausible one is that the agent's greatest competition comes not from other life assurance companies but from other industries. An individual's spending power is necessarily limited to his income and if he spends more for current living expenses for an automobile or other articles of luxury—and the present tendency is undoubtedly in this direction—he has less left to invest in life assurance.

"It is the agent's duty and responsibility, and I think also his most difficult task, to convince his prospects of the wisdom of making some slight sacrifice at the moment to safeguard the future interests of his family and himself.

Need For Education

"Another important duty which devolves upon you is that of educating the public in regard to the real nature of life assurance and the place it occupies in the realm of public service. I have on several occasions in recent years commented on the co-operative character of our business, pointing out that, contrary to the general conception, life assurance companies are not corporations of tremendous wealth owned by a few individuals, but that their assets are in reality an aggregation of the small savings of their millions of policyholders, entrusted to the company for a definite purpose.

"The companies occupy a position akin to that of trustees. At the present time when there is an extensive movement in the direction of co-operative organization of buyers and consumers, it is of great importance that the general public should be made conversant with the fact that life assurance is in reality the greatest co-operative enterprise the world has ever seen. Every participating policyholder is a partner in the undertaking and receives his full share of the profits derived from successful management to the extent, in our own company, of 95% of the surplus available for distribution.

"I have also called attention on many occasions to the magnitude of the services rendered to the community in the distribution of benefits in times of need. During the period of the depression the total payments distributed by life assurance companies on this continent exceeded by a substantial margin the huge sums spent by all governmental bodies in relief.

"It is the failure of the general public to appreciate what life assurance companies are doing for the public welfare which has led to excessive taxation and discriminative legislation with which they are constantly confronted. If you will endeavor to interest your prospect in these matters, not only will you be rendering a service to the business, but you will have gone a long way toward convincing him that he cannot afford to be without life assurance protection."

Confederation Insurance Up

Business in Force Higher by 6% Despite Mexico Withdrawal

Confederation Life Association reports new business paid for during the first 8 months of 1936 to be $30.2 millions and total business in force $395.7 millions.

This latter figure is higher by 6% than at this time last year. New business is lower by $1 million than during the first 8 months of 1936 due to withdrawal of the company from Mexico and a shrinkage in reinsurance.

Loss of Mexican business involves this year to date over $2 millions of business while the drops in reinsurance received amounts to over $500,000. Considerably more than half this loss has already been overtaken. New business paid for in Canada for the first 8 months totals $17.2 millions compared with $16.8 millions at this time last year.

According to C. D. Devlin general superintendent of agencies, if the company's new business continues at the same rate for the balance of the year production for the year will be something over $45 millions.

"Likewise," he adds, "if the gain in business in force continues at the same rate, the volume at the end of the year will be slightly over $399 millions."

The company's objective for the year is $48 millions of new business.

Pitfield and Co. Opens Uptown Montreal Branch

MONTREAL. — Pitfield & Co., members of the Montreal Stock Exchange, Montreal Curb Market and Canadian Commodity Exchange, have opened a Montreal uptown office in the Windsor Hotel. This is the fifth branch operated by the firm, others being in Ottawa, Saint John, Campbellton and Halifax. The new office will be under the management of W. E. Otten.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
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AETNA MANAGER

Robert H. Leckey, who has been appointed Canadian manager of the Aetna Insurance Co. of Hartford, Conn., and its subsidiary, World Fire and Marine Insurance Co. Mr. Leckey has been assistant manager in Canada for the Hartford Fire for the last 3 years, but was special agent for the Aetna from 1921 to 1933.

Travellers

Sir Edward Peacock, partner of Baring Bros., and director of the Bank of England, is on a brief visit to Toronto.

* * *

Viscount Rothermere, British publisher, has been in Montreal, Quebec and Toronto on a flying visit. He has been accompanied by Collin Brooks, financial editor of the Sunday Dispatch, London, who will tour Canada.

* * *

Guests of honor at a complimentary dinner at Regina this week were R. S. Dalgleish, head of Dalgleish Steamship Co., Newcastle-on-Tyne, England, Sir Patrick Hannon, M.P., and B. O. Schonevegal, of London. Committeemen of the Hornby immigration plan were hosts, prior to a Hornby conference at Saskatoon, Sept. 24 and 25.

* * *

Arthur B. Purvis, chairman of the National Employment Commission, has sailed for England. He will be there 6 days.

* * *

Lord Marley, British labor peer, who arrived in New York this week, is scheduled to speak in Toronto in November.

* * *

Rt. Hon. L. S. Amery, former Secretary of State for Dominion Affairs, is in Canada. He recently assumed the chairmanship of the Trust and Loan Co. of Canada, owned by British investors but with headquarters in Montreal.

* * *

Col. George McNish, C.B.E., of Glasgow, managing director of Robert McNish and Co., was a visitor in Toronto this week. He is returning to Scotland via Vancouver and California.

* * *

M. B. Palmer, Canadian trade commissioner at Mexico City, was in Vancouver last week, interviewing exporters and importers.

* * *

John Hays Hammond Jr., noted inventor, recently visited Sydney, N.S., with a party of friends aboard the schooner-yacht "Odysseun III," en route to Labrador. Inventor of the wireless torpedo, Mr. Hammond is holidaying from research work.

* * *

Mayor G. G. "Gerry" McGeer, of Vancouver, has made tentative reservations in R.M.S. "Queen Mary" to sail from New York to England, Sept. 23, on the invitation of Sir Percy Vincent, lord mayor of London.

* * *

Hon. Vincent Massey and Mrs. Massey sailed for England aboard the "Empress of Britain."

* * *

Arriving in Montreal recently from England aboard the "Empress of Australia" were F. E. Powell, president of the Anglo-American Chamber of Commerce, and E. C. Rawlins, first commercial counsellor at the British Embassy, Berlin.

* * *

Graham Ford Towers, governor of the Bank of Canada, last week made his first visit to Vancouver since his appointment, to keep a long-standing engagement with the Vancouver Board of Trade. He was guest of honor at a board of trade luncheon.

* * *

Gordon Cumming, of Winnipeg, general manager of the Monarch Life Assurance Co. conferred with Edmonton officials last week, on tour of company branches en route to Vancouver. He remarked that Canada's greatest asset is the mining industry.

* * *

A. L. Brown, general merchandising manager of Northern Electric Co., arriving in Vancouver to confer with company officials last week, declared the general increase noted in trade from coast to coast shows B. C. in top position among the provinces.

United States
Fidelity & Guaranty
Company
TORONTO

Sounds Cautious Note In Company Reforms

George R. Freeman, British Accountant, Interviewed

Among the visiting representatives of the Institute of Chartered Accountants in England and Wales to the convention of the Dominion Institute of Chartered Accountants at Toronto recently was George R. Freeman, senior partner for the last 20 years of Gane, Jackson, Jefferys and Freeman, an outstanding firm of chartered accountants in London, England.

GEORGE ROBERT FREEMAN

Mr. Freeman is really a Canadian because he was born in Winnipeg and was educated at Upper Canada College, Toronto, and Saint John's College, Winnipeg. Old schoolmates remember that he entered the University of Manitoba when he was 13 years of age. The only other graduate of Saint John's College to matriculate at 13 years of age was the present Deputy Minister of Mines, Dr. Charles Camsell. But young Freeman never finished his education in this country as his father moved to England when he was 14 years old.

Mr. Freeman's father managed the election campaign of Donald E. Smith, later Lord Strathcona, when he first ran in Winnipeg for the House of Commons at Ottawa. Ancient history of Manitoba is therefore still a topic of vivid interest to Mr. Freeman Jr., who can remember the scenes of enthusiasm attending the return of the troops from suppressing the second Riel rebellion in the Northwest Territories.

In Advisory Capacity

As chairman of the Parliamentary Law Committee of the institute he represents, Mr. Freeman has to give very close attention to the various proposals that come up from time to time to amend the English Companies' Act. That Act is of outstanding importance in Canada, because legislators recently have drawn liberally from its provisions in devising the various Provincial and Dominion measures.

In answer to questions by The Financial Post, Mr. Freeman said that the Institute of Chartered Accountants in England and Wales does not take the initiative in seeking reforms to the English Companies' Act in England. Members think that their duty is rather to study every proposed amendment carefully in the light of their accounting experience and to inform officials of the Board of Trade whatever they conceive the probable results will be of various suggested changes.

The Institute, Mr. Freeman says, has itself no reform programme to present. Most suggestions in England in recent years have come from Socialist members of the House of Commons. He himself feels that the best results will be obtained in the end if changes in the Act are not too drastic at any one time. In that way an opportunity is given to try out every change in the light of actual experience.

Present Law Serves Well

"On the whole, we feel that the law, as it stands, serves our needs quite admirably. We have to work out some more comprehensive and just way of dealing with the accounts of holding companies. In fact, there is a great deal of debate in England at present as to what disclosure of information of the affairs of subsidiaries should be made compulsory. It is probably true that the full intent of the present law is evaded in some cases by the relationships existing between holding companies and their subsidiaries. There are even cases where subsidiaries own all the ordinary stock of the holding companies. It is a basic principle of English company law that a company should not own or deal in its own stock. The case just cited obeys that principle in the letter but violates it in spirit. It is a method whereby a company can own its own stock.

Companies Owning Own Stock

On the question as to whether or not company law should call for full disclosure of the affairs of a company to its shareholders, Mr. Freeman has reservations. In the course of his practice in London, he has come across many cases where interests of shareholders appeared to have been better served by a policy of reticence concerning certain undisclosed contingency reserves. There are reserves which are necessary to the safety of a company, but yet whose very purpose would be imperilled by publicity. He found that 99 out of 100 British businessmen had a high conception of their duty toward shareholders and the public. An auditor had always to depend to a certain extent on the probity of officials in valuation of inventory.

New Books

Adventure and Dividends

Douglas MacKay Shows That Adventurers Into Hudson's Bay Have Found Both Romance and Profit in Their 2½ Centuries as Traders

THE HONORABLE COMPANY. A history of the Hudson's Bay Co. By Douglas MacKay. Published by McClelland & Stewart Ltd., Toronto. Price $4.

To the historian, this record of Canada's oldest business enterprise will bring new delight for it is the first history of the Hudson's Bay Co. to appear since the company began to organize its archives and to open to students and the public the rich storehouse of material contained in them. Although written by an officer of the company, it is in no sense an official history. Mr. MacKay says, in his foreword, that at present plans are being made for the publication, from time to time, of some of the original material in the company's archives. No doubt this will lead to a monumental history in years to come. In the meantime, Mr. MacKay has wisely remembered the general reader, the lover of the North, the unofficial student of Canadian history, the reader who is fascinated by personality and adventure. Such comprise the audience for whom he has unfolded his tale.

Men, Rather Than Finance

Only in part, has Mr. MacKay attempted to use his volume to tell the story of the evolution of the business structure and trading methods of this company. Having had to choose, he says, between the recounting of men and events on one hand, and capital investment and management on the other, the tendency has been to hold close to the former. Yet he publishes, as an appendix, a table which is probably the first of its kind ever to be published. It gives the 266-year-old financial record of the Hudson's Bay Co. in considerable detail. The first dividend paid by the Hudson's Bay Co., amounting to 50% of the original capital stock of £10,500, was paid on April 23, 1684. In only a few years since has the dividend been passed. The complete record of every dividend by the company is published and, in addition, there is a record of prices of Hudson's Bay stock from 1692 to 1837. Another table indicates that the number of proprietors or shareholders has increased from the original 18 of 1670 to between 12,500 and 13,000 today.

History of a Corporation

Mr. MacKay indicates that the chartered company was an old formula, even when the Hudson's Bay Co. came into being. For more than a century it had been an accepted trading structure—originally a grouping for mutual protection of merchant shippers sailing to the Far East and homeward. In the 17th century, it took on a more rigid form of proprietorship. The Muscovy Co., the Eastland Co., the Levant Co. were examples.

The Hudson's Bay Co. got its royal charter May 2, 1670. It provided for the formation of a company that represented a total investment on that date of £4,720, a small figure compared to the £1,629,000 that had been raised in 1616 by the Company of Merchants of London. It took 7,000 words of tortured English legal phrases entered in eye-straining characters on 5 large sheets of parchment to bring the Hudson's Bay Co. into corporate birth. Not until the 48th year of Queen Victoria's reign was the charter amended. In all the company has had only 5 charters—1670, 1884, 1892, 1921 and 1920—and each one has been signed under the warrant of the reigning monarch. The original plan of executive operation by a governor and committee responsible to the proprietors, who in turn are given an account of stewardship each year at a general court, continues today.

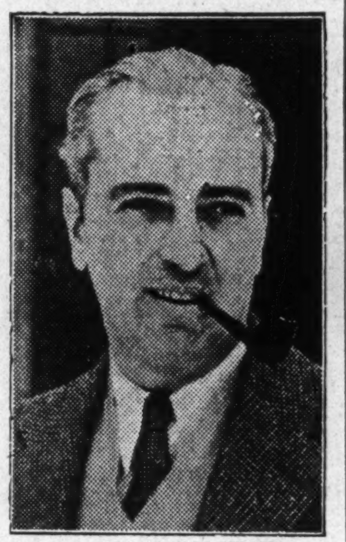
Some day the information on the financial record of the Hudson's Bay Co., published by Mr. MacKay, will be developed in a full length financial and business record. When this happens, the world will have a unique record of the development of the modern corporate form of enterprise from the royally chartered companies of the 17th century to the great public corporations of today.

The Company Today

To detail the corporate and financial history of the company from those early days to the present years is impossible in a brief summary. But Mr. MacKay provides enough of the material to whet the appetite for a more exhaustive study of this single phase of the company's history.

His story of the years since and immediately before the war, will be of no little interest to present investors in the company.

Mr. MacKay is a former newspaperman, once associated with the Canadian Press at Ottawa. He is a son of J. F. MacKay, of Toronto. He has been engaged in publicity work for the Canada Steamship Lines and the Seignory Club and is now director of publicity for the Hudson's Bay Co. Like Murray Gibbon's "Steel of Empire," the volume is intended to have a broad appeal to the American public.



DOUGLAS MACKAY

It is a happy coincidence—or arrangement — that within a year there should appear the histories of Canada's 2 most world-famous business institutions—the C.P.R. and the Hudson's Bay Co.—each one written by the company's director of publicity, each one well written and well illustrated. Canada owes some debt of gratitude to Bobbs-Merrill, the American publishers, whose imprint appears on both volumes.

FIRE AUTOMOBILE
MARINE CASUALTY
WESTERN ASSURANCE COMPANY
ASSETS OVER
$8,465,000
Losses Paid Since Organization of Company in 1851 over
$121,410,000
WESTERN
ASSURANCE
COMPANY
HEAD OFFICE - TORONTO

SECURITY
FOR YOURSELF
FOR YOUR FAMILY
A SUN LIFE PENSION BOND with ASSURANCE gives you both, safeguarding your loved ones during your earning years and guaranteeing an unfailing income when you reach retiring age.
Ask your nearest Sun Life representative for the leaflet
"HOW TO WIN BOTH WAYS"
SUN LIFE of CANADA
1865 1936

The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, *Supreme Chief Ranger.*
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

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NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE —
Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

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HEAD OFFICE: 199 BAY ST. TORONTO
● Pilot offers you every advantage on fire insurance that Pilot gives you on automobile insurance — quick claims service, intimate knowledge of the field, a Canadian company close to its business. Automobile, fire, burglary, cargo, elevator, teams, plate glass, general and public liability — fidelity and surety bonds.
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PILOT INSURANCE COMPANY

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Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Kelowna
Victoria
Vancouver
UNDER the Northwestern Mutual plan, fire insurance protection is written at actual cost. The saving made is returned to the policyholder in the form of DIVIDENDS.
BETTER fire protection at LOWER COST
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Northwestern Mutual Policies · Assets $6,000,000

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Made in white and eight business-like colours
ROLLAND PAPER
COMPANY LIMITED
HIGH GRADE PAPER MAKERS - SINCE - 1882
MONTREAL
BRANCH OFFICE: TORONTO, ONT. MILLS AT ST. JEROME AND MONT ROLLAND, QUE.
EARNSCLIFFE LINEN BOND

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded on stock exchanges, bid and asked prices are given as a guide to current levels. For unlisted stocks, in which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published elsewhere on this page. While The Financial Post endeavors to obtain the most accurate prices for unlisted stocks it cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 14

Range 1936 High	Low	Div R'te $	Sep12 Y'ld %		Sales	Last Sept. 7	Week end. Sept. 14 H	L	Cl'se
				A					
2.50	1.25	*	...	Abitibi	1996	1.55	2.00	1.65	1.95
13½	6½	*	...	Do. pref. 6%	251	10½	10½	10½	10½
14	6½	*	...	Do. cert. dep.	....	(9 bid 10½ asked)			
4½	4½	.	...	Acadia Sugar	....	(4½ Apr. 24)			
21	14½	50c	2.5	Acme Glove	25	20	20	20	20
100	95	6.50	6.5	Do. pref.	....	(— bid 98 asked)			
10	7½	40+20c	..	Agnew Surp.	35	9	9	9	9
107	100	7	6.5	Do. pref.	3	106	107	107	107
6	2	*	...	Alta. Pac. Gr.	540	3	3	2½	3
29	21	*	...	Do. pref.	25	22½	22	21	21
3	2	*	...	Amal. Electric	115	3	2	2	2
23	14	.	...	Do. pref.	50	15	20	20	20
40½	29½	15c	...	Amer. Cyn. B.	....	(— bid 37½ asked)			
58	51½	3.50	6.6	Ang. C. Tel. pf.	....	(53½ bid 55 asked)			
58	17½	.	...	Asbestos v. t.	2968	52½	58	52½	58
15	9½	60c	6.6	Assoc. Brew.	15	10	10	10	10
110	103	7	6.4	Do. pref.	....	(110 bid — asked)			
8½	8½	*	...	Assoc. T. & T.	....	(7½ bid — asked)			
51½	34	.	...	Do. pref.	5	51½	50½	50½	50½
106	105½	7	6.6	Atlan. Sug., pf.	....	(105 bid — asked)			
				B					
58½	51½	2.25	3.9	Bank of Canada	266	57½	58	57	57½
141½	133	8	5.7	Bk. Can. Nat.	33	138	141	140	141
214	182½	8	4	Bk. Montreal	416	200	200½	199	200
300	271	12	4.2	Bk. N. Scotia	132	281	284	280	280
235	220	10	4.5	Bk. Toronto	2	222	224	224	224
13½	6½	75c	...	Barcelona	....	(5 bid 7½ asked)			
17½	10½	*	...	Bathurst Pr.	1707	13	13½	12½	12½
5½	3	*	...	Do. (B)	65	4	4	4	4
4	1½	*	...	Bawlf Grain	25	1½	1½	1½	1½

Government Bonds

September 16, 1936

				Bid Sept. 16	Asked Sept. 16	Approx. Yield	Bid Sept. 9
†‡Dominion	5	1 Mar.	1937	101.75	102.25	...	102.00
‡Dominion	5½	1 Dec.	1937	105.70	106.20	.35	105.85
Dominion	2½	15 Oct.	1939	104.00	104.50	1.04	104.00
Dominion	4	15 Oct.	1939	108.00	108.50	1.20	108.50
Dominion	2	15 Nov.	1939	102.60	103.10	1.00	102.75
Dominion	1½	1 June	1940	101.15	101.65	1.05	101.25
Dominion	4½	1 Sept.	1940	111.00	111.50	1.50	111.00
Dominion	5	15 Nov.	1941	115.35	115.85	1.77	115.50
Dominion	3	15 Oct.	1942	106.25	106.75	1.84	106.25
Dominion	2½	1 June	1943	103.75	104.25	1.83	103.75
Dominion	5	15 Oct.	1943	116.35	116.85	2.40	116.50
Dominion	4½	15 Oct.	1944	114.35	114.85	2.46	114.50
■Dominion	2½	15 Aug.	'43-45	100.90	101.40	2.28▲	100.85
Dominion	4	15 Oct.	'43-45	110.75	111.25	2.27▲	110.75
Dominion	4½	1 Feb.	1946	114.35	114.85	2.69	114.50
Dominion	3½	15 Oct.	'44-49	106.50	107.00	2.54▲	106.50
Dominion	4	15 Oct.	'47-52	109.75	110.25	2.95▲	109.75
Dominion	3	1 June	'50-55	101.35	101.85	2.84▲	101.75
Dominion	4½	1 Nov.	'46-56	112.85	113.35	3.01▲	113.25
Dominion	4½	1 Nov.	'47-57	113.00	113.50	3.10▲	113.25
Dominion	4½	1 Nov.	'48-58	113.65	114.15	3.12▲	113.50
Dominion	4½	1 Nov.	'49-59	113.90	114.40	3.18▲	113.75
■Dominion	3¼	15 Jan.	'56-61	103.25	103.75	3.00▲	103.50
Dominion	3¼	1 June	'56-66	102.35	102.85	3.06▲	103.00

Dominion Guaranteed Bonds

				Bid Sept. 16	Asked Sept. 16	Approx. Yield	Bid Sept. 9
*G. T. P. Ry.	3	1 Jan.	1962	101.50	102.50	2.87	101.75
Can. N. Ry.	3	1 May	1944	105.00	106.00	2.16	105.00
Can. N. Ry.	3	15 Dec.	'46-50	101.00	102.00	2.75▲	100.75
Can. N. Ry.	3	15 Feb.	'48-53	101.00	102.00	2.79▲	100.75
*Can. N. Ry.	4½	1 Sept.	1951	116.50	117.50	3.04	116.50
*Can. N. Ry.	4½	1 Feb.	1956	117.00	118.00	3.24	117.00
†Can. N. Ry.	4½	1 July	1957	116.00	117.00	3.37	116.00
*Can. N. Ry.	4¾	15 June	1955	119.25	120.25	3.31	119.25
Can. N. Ry.	5	1 Feb.	1954	120.00	121.00	3.39	120.25
*Can. N. Ry.	5	1 July	1969	119.25	120.25	2.69▲	119.00
*Can. N. Ry.	5	1 Oct.	1969	121.25	122.25	3.25▲	121.00
*M. Harb. C.	5	1 Nov.	1969	121.50	122.50	3.23▲	121.00

Provincial Government Bonds

				Bid Sept. 16	Asked Sept. 16	Approx. Yield	Bid Sept. 9
Eastern—							
N. Bruns.	4	1 Sept.	1954	104.25	105.25	3.61	104.25
†N. Bruns.	4½	15 Apr.	1961	111.00	112.00	3.76	110.75
†N. Bruns.	5	15 Jan.	1960	115.75	116.75	3.91	115.75
N. Scotia	3	2 Sept.	1945	101.50	102.50	2.68	101.50
N. Scotia	4½	15 May	1943	110.50	111.50	2.62	110.50
†N. Scotia	4½	15 Sept.	'47-52	112.00	113.00	3.14▲	112.00
†N. Scotia	5	1 Mar.	1960	119.00	120.50	3.69	119.00
*Ontario	4	1 June	1962	109.00	110.00	3.42	108.50
*Ontario	4½	1 Sept.	1944	113.00	114.00	2.56	113.00
Ontario	4½	1 June	1950	113.25	114.25	3.28	112.75
*Ontario	4½	15 Jan.	1962	115.00	117.00	3.49	115.00
Ontario	5	15 Oct.	1948	116.25	117.25	3.30	115.75
*Ontario	5	2 Dec.	1960	122.50	124.50	3.48	122.00
Ontario	5½	1 July	1946	117.50	118.50	3.31	117.25
O. H. C.	3½-4-5	1 Oct.	'36-52	100.50	101.50	.91▲	101.00
Ont. Hyd. C.	4¾	1 Jan.	1970	120.00	122.00	3.61	120.00
P. E. I.	3	1 Oct.	1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar.	1962	109.00	110.00	3.20	109.00
Quebec	4½	1 Aug.	1958	112.25	113.50	3.37	112.00
Quebec	4½	2 Jan.	1963	114.25	115.50	● 3.59	114.00
Western—							
Alberta	4	15 Dec.	'49-54	59.00	62.00		61.00
†Alberta	4	1 Dec.	1957	60.00	64.00		62.00
Alberta	4½	1 Oct.	1951	72.00	75.00		72.00
†Alberta	4½	1 Oct.	1956	63.00	65.00		64.00
†Alberta	5	1 Jan.	1948	64.00	66.00		65.00
Alberta	5	1 Sept.	1955	63.00	66.00		63.00
*Alberta	5	1 Oct.	1959	64.00	67.00		65.00
†Alberta	5½	1 Jan.	1947	65.00	68.00		66.00
Alberta	6	1 Mar.	1947	66.00	68.00		67.00
†Brit. Col.	4	1 Dec.	1957	88.00	90.00	4.74	89.00
*Brit. Col.	4½	15 Jan.	1961	92.00	94.00	5.09	93.50
†Brit. Col.	4½	1 Oct.	1953	91.50	93.50	5.06	93.00
†Brit. Col.	5	15 Jan.	1948	95.00	97.00	5.35	97.00
Brit. Col.	5	1 Sept.	1953	94.00	96.00	5.36	96.00
Brit. Col.	5½	1 Feb.	1945	97.00	98.00	5.80	97.00
Brit. Col.	6	15 Feb.	1947	99.50	101.00	5.88	99.75
Manitoba	4	2 Jan.	1950	92.00	94.00	4.60	92.00
†Manitoba	4	1 Dec.	1957	93.00	95.00	4.38	93.00
†Manitoba	4½	15 Dec.	1956	97.00	98.50	4.61	97.50
†Manitoba	5	15 June	1954	100.00	101.50	4.87	100.00
*Manitoba	5	2 Dec.	1959	102.00	104.00	4.72	103.00
Manitoba	5½	1 Oct.	1965	99.00	100.00	5.50	99.50
Manitoba	6	1 Apr.	1947	99.50	101.00	5.87	100.50
Sask.	4	15 Aug.	1953	74.00	76.00	6.32	73.50
Sask.	4	1 Nov.	'55-60	73.00	75.00	6.23	73.50
*Sask.	4½	2 July	1945	85.00	87.00	6.42	86.00
†Sask.	4½	1 Oct.	1951	84.00	86.00	5.89	84.50
†Sask.	4½	15 Mar.	1960	81.00	83.00	5.97	81.00
Sask.	5	1 Aug.	1958	84.00	86.00	6.17	84.50
†Sask.	5½	15 Nov.	1946	88.00	90.00	6.77	89.00
Sask.	5½	1 Oct.	1952	86.00	88.00	6.72	86.50
Sask.	6	15 Mar.	1952	88.00	91.00	6.96	91.00

Municipal Bonds

				Bid Sept. 16	Asked Sept. 16	Approx. Yield	Bid Sept. 9
†Halifax	5	1 July	1961	114.00	116.00	3.98	114.00
Hamilton	5	1 May	1950	112.00	114.00	3.71	112.00
Montreal	5	1 Mar.	1945	104.00	105.50	4.22	103.50
Ottawa	4½	1 July	1945	112.00	114.00	2.71	112.00
†Quebec	5	1 June	1959	108.00	109.50	4.34	108.00
Saint John	5	15 Dec.	1950	107.50	109.00	4.17	107.50
†Toronto	4½	1 Jan.	1955	115.00	117.50	3.28	115.00
†Vancouver	5	15 Jan.	1960	85.00	90.00	6.10	85.00
Winnipeg	5	1 Mar.	1944	100.00	102.00	4.68	101.00

* Payable Can., N.Y. & £. ▲ Calculated to call date giving lowest possible yield. † Payable Can. & N.Y. ● Calculated to maturity although callable prior to that date. ‡ Exempt from Dominion income tax. § Traded flat. ■ Payable in N.Y.

Mining Stock Quotations

WEEK ENDING SEPTEMBER 14

Corporation Bonds

Supplied by Investment Dealers Association of Canada.

September 15, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 15	Asked Sept. 15	Bid Sept. 8
*Ass. Tel. & Tel.	5½	'55	86	89	87½
‡Avalon 'Phone	5½	'48	101½	..	101½
Beauharnois P.	5	'73	46	49	48½
*Bell T'phone	5	'55	115	118	115
*Do.	5	'57	121	124	121
†B. C. Power	5	'60	105½	108½	105
†Do.	5½	'60	106½	109½	106
*Calgary Power	5	'60	100	103	100½
*Do.	5	'64	96	99	96
†Can. Nor. Pwr.	5	'53	104½	107½	104½
*Dom. Gas. & El.	6½	'45	89	92	88
*Gatineau Pr.	5	'56	101½	104½	102
*Do., A	6	'41	98	101	100
*Do., B	6	'41	98	101	99½
*Int'l. Hydro	6	'44	54	57	54
*Int'l. Pwr.	6	'57	97	100	97
†Maclaren-Que.	5½	'61	86	90	89
†Do.	5½	'64	85	89	88
Maritime T & T	5	'56	104½	107½	104½
†Mtl. Island Pr.	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	103½	106½	103
†Montl. Tram.	4½	'55	79½	82½	79½
†Do.	5	'41	102	105	102½
†Do.	5	'55	85	88	85
Nfld. L. & P.	4½	'56	99½	102½	99½
Nat'l. L. & P.	6	'49	100	103	100
†N.S. L. & P.	5	'58	105½	108½	105½
Do.	5	'65	102	..	102
†Ottawa Light	5	'57	108	111	107½
†Ottawa Tract.	5½	'55	101½	104½	102
†Ottawa Val. Pr.	5½	'70	..	78	81½
†Power Corp.	4½	'59	98½	101½	99
*Quebec Pr.	5	'68	105½	108½	105½
Saguenay Pr.	4½	'66	104	107	104
†Shawinigan	4	'61	99½	102½	99
†Do.	4½	'70	105	108	105
†South. Can. Pr.	5	'55	105	108	105
†United Secs.	5½	'52	85	88	85½
†West. Pwr. Co.	5	'49	105½	108½	105½
*Winnipeg Elec.	4½	'60	104	107	104
*Do.	6	'54	87½	90½	88
Industrial & Realty Issues:					
†Abitibi Pwr.	5	'53	55	58	54
Acadia Sugar	4½	'55	102	105	102
†Alta. Pac. Gr.	6	'46	93½	97½	93½
B. A. Oil	4	'45	103½	106½	103½
Can. Bread	6½	'41	109	112	109
†Can. Ss. Lines	5	'41	45½	48½	47
Can. Canners	4	'51	100	103	99½
Can. Bakeries	6½	'45	93	..	93
*Can. Int. Paper	6	'49	92½	95½	92
C. P. R.	3½	'51	96	98½	95½
Do.	4	'49	102½	105	102½
Do.	4½	'44	100½	103	100
Do.	4 Perp.		96½	97	96
†Can. Vickers	6	'47	96	99	94½
†Cons. Paper	5½	'61	49½	52½	49½
*Dom. Coal	6½	'55	101	104	100½
Dom. Sq. Corp.	6	'48	59	62	58
‡Dom. S. & C.	6½	'55	67	70	66
†Dom. Tar	4½	'51	99½	102½	106½
Dom. Textile	4½	'55	105½	..	105½
†Donnacona P.	3-4-4½	'56	73½	76½	71
†Fam. Players	4½	'51	99	102	98½
†Federal Grain	6	'49	95½	98½	95
†Fraser Cos.	6	'50	101½	104½	99½
†G. Steel Wares	6	'52	105	107½	105½
*Gt. Lakes Pap.	6	'50	55½	58½	56
†Gypsum, Lime	5½	'48	101½	104½	100
†Gr. Br. & Can. Inv.	4½	'59	83½	86½	83½
Ham. Cottons	5½	'48	103½	106½	103½
*Ham. B.-P. C.	5	'50	101	104	100
*Hinde & Dauch	5½	'48	103½	106½	103½
†Int. P. & P., N.	4½	'68	102	105	102
Inter. City Bak.	5½	'48	104	107	104
Inter-City W. B.	6½	'50	46	49	46½
†Lake St. John P. & P.	6½	'47	111	114	110
†Do.	6	'42	78½	81½	78½
†Lon. Can. Inv.	4½	'48	92	95	92
†Maple Leaf M.	5½	'49	72½	75½	67½
†Massey Harris	5	'47	89½	92½	90
†McColl-Front.	6	'49	107	110	106½
†Mercury Mills	5½	'53	72	75	71
†Mersey Paper	6	'49	97	100	97
*M. & O. Paper	6	'45	38	41	38
Nor. Ont. Bldg.	6½	'39	95	..	95
*Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	95	99	95
*Reliance Grain	6	'48	103	106	102½
†Restigouche Co.	6	'48	107	110	107
Rich. B. Bldg.	6½	'47	100	..	100
†Rolland Paper	5½	'48	105	108	105
Ruddy & Co.	6½	'48	97½	100½	97½
†Simpsons Ltd.	6	'49	107	110	105½
†Smith, Howard	5½	'53	107	110	106½
†Steel of Can.	6	'40	113	115½	113
Sterling Coal	6	'40	87	..	86½
Stop & Shop	6	'47	55	..	54
Twin City Rapid Tr'sit	5½	'52	87	90	87½
United Amuse.	5	'56	99½	102½	98½
United Corp.	5	'53	95½	98½	93
Union Gas	4½	'43-50	97½	100½	97
Zimmerknit	6	'51	100	..	100

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

September 16, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	4.45	4.80
Do., pfd.	4.90	5.20
Acme Farmers Dairy, pfd.	44.00	50.00
Algoma Steel, new pfd.	46.00	53.00
Andian National	45.00	46.50
Assoc. Tel. & Tel. pfd.	50.00	53.00
B. C. Pulp & Paper, pfd.	10.00	13.00
Burns & Co., A	8.25	10.50
Do., B	5.75	6.50
Canada & Dom. Sugar	59.00	60.50
Canada Paper, pfd.	110.00	117.00
Canada Starch, pfd.	92.00	....
Canada Tea, pfd.	31.00	....
Can. Tube, 1st pfd.	48.00	....
Can. Wire & Cable, pfd.	112.00	116.00
Can. Industries, A com.	221.00	....
Do., B com.	218.00	221.00
Do., pfd.	165.00	168.00
Can. Ingersoll Rand	122.00	132.00
Can. Westinghouse	59.00	62.00
Chase, A. W., pfd. bonus	25.00	28.00
Claude Neon, pfd.	3.25	4.00
Conduits Nat., new com.	2.25	3.00
Dom. Found. & Steel, c.	54.00	....
Do., pfd.	96.00	100.00
Dominion Rubber, pfd.	96.00	....
Dunlop Tire, pfd.	84.00	89.00
Eastern Dairies, pfd.	8.25	10.00
Edmonton City Dairy, pfd.	60.00	....
Federal Grain, com.	1.50	2.25
Do., pfd.	....	40.00
Goderich Elevator	....	8.75
Greening Wire, pfd.	108.00	....
Guelph Carpet, pfd.	105.00	107.00
Do., com.	18.00	20.00
Highland Dairy, com.	3.25	3.75
Do., pfd.	83.00	88.00
Inter City Baking, com.	31.00	35.00
Inter. Met. Indust., A pfd.	....	60.00
McLaren Pwr. & Paper, c.	15.00	16.25
N. Meth. Laund. pfd. bonus	78.00	84.00
Ont. Tobacco Plant, pfd.	...	55.00
Provincial Paper pfd.	106.00	108.00
Reliance Grain, c.	4.00	4.50
Do., pfd.	77.00	81.00
Rob. Cons. Cone	9.50	10.50
Ruddy, E. L., pfd.	38.00	41.00
Silverwood's Dairies, pfd.	56.50	60.00
Std. Fuel, pfd. bonus	108.00	111.00
Super. Pet., B pfd.	27.50	30.00
Toronto Carpet, pfd.	39.00	....
United Steel, A pfd.	8.50	....
Western Grain, pfd. bonus.	....	14.00
Willards Chocolates, pfd.	22.00	28.00
Trust & Loan Stocks:		
Chartered Trust	84.00	87.00
Guelph Ont. Inv., par $50	48.00	52.50
London & Western Trust	52.00	57.00
Premier Trust	96.00	102.50
Prudential Trust	3.25	....
Sterling Trust	30.00	35.00
Traders Fin. Inc. Rts.	10.00	....
Traders Fin., B pfd. bonus.	85.00	....
Trusts & Guarantee	31.00	34.00
Waterloo Trusts	98.00	...
Insurance Stocks:		
British America	45.00	....
Canada Life	515.00	530.00
Canadian Fire	70.00	75.00
Canadian Ins. Shares	12.00	14.00
Confed. Life 20% pd.	114.00	118.00
Continental Life 20% pd.	38.00	43.00
Crown Life	160.00	...
Dominion Fire	120.00	130.00
Dominion Life 50% pd.	265.00	300.00
Dom. of Can. Gen.	122.00	130.00
Empire Life 35% pd.	7.50	9.00
Excelsior Life 30% pd.	69.00	73.00
Federal Fire 25% pd.	38.00	....
Fidelity Ins. of Can.	45.00	....
Great-West Life	381.00	396.00
Guar. of N. A. fully pd.	287.00	300.00
Halifax Fire	22.50	24.00
Imperial Life	340.00	....
Manufacturers Life	240.00	260.00
Monarch Life 10% pd.	20.00	23.00
National Life 25% pd.	...	48.00
Sovereign Life 25% pd.	17.00	19.00
Sun Life	450.00	470.00
Toronto General	4.75	6.00
Western Assurance c.	45.00	48.00
Do., pfd.	41.00	45.00
Theatre Stocks:		
Allens Beach, pfd.	60.00	67.00
Do., Kingston, pfd.	55.00	....
Do., Parkdale, pfd.	80.00	....
Do., Toronto, pfd. bonus c.	30.00	....
Eastern Theatres, pfd.	77.00	83.00
Loew's Buffalo, pfd.	3.00	3.75
Do., London, pfd.	2.50	3.50
Do. Toronto, pfd.	114.00	....
Mansfield Theatre, pfd.	28.00	31.50
Paramount Kitchener, pfd.	47.00	....
Do., Oshawa, pfd.	85.00	93.00
United Amusement, A	....	18.50
Do., B	....	16.00
Investment Trust Shares:		
Can. Gen. Invest.	6.70	9.00
Can. Int. Inv. Trust Units	64.00	68.00
Can. Investors Corp.	7.00	8.00
Cons. Div. Std. Sec. Units	14.00	16.00
Corporate Investors	...	7.50
Debenture & Sec., pfd.	70.00	....
Dom. Scott. Inv. Units	38.00	43.00
Foreign Power Sec., pfd.	4.00	5.50
Invest. Foundation Units	55.00	60.00
Sec. Holding Units	24.00	27.00
United Corpns., A	23.50	25.50
Do., B	9.00	11.00
Power Issues:		
Calgary Power, pfd.	75.00	80.00
Can. Light & Power, c.	17.00	20.00
Can. West. Nat. Gas, pfd.	84.00	88.00
Do., com.	23.00	26.00
Great Lakes Pwr., pfd.	98.00	....
Inter. Util. pfd.	88.00	...
Nor. Ont. Power, pfd.	102.00	103.50
Nova Scotia L. & P., pfd.	102.50	105.00
Do., com.	84.00	87.00

Unlisted Mines

September 15, 1936

	Bid	Asked
Albany River	.74	.75
Algold	.40	.42
Ardeen	.21	.22
Area	.04½	.05½
Arrow Head	.40	.44
Bathurst (new)	.04½	.05
Bailor	.05	.06
Bankfield Gold	.72	.74
Blue Star	.31	.33
Bousquet Gold	.12	12½
Big Long Lac	..	.06
Brae Breest	..	.30
Brengold	.18	.20
Callinan Flin Flon	.15	.17
Canadian Pandora	.12	.12½
Candalaca	..	.26
Canusa (new)	.68	.72
Capital-Rouyn	..	.23
Coin Lake	.33	.35
Columario (new)	.02½	.03
Cuniptau	.33	.36
Casey Contact	.04½	.05½
Darwin	.45	.50
Dunlop (new)	.12	.13
Dorval Siscoe	..	.40
Dupont Hodgson	.24	.27
Elmos	.32	.37
Empress Cons.	.47	.49
Empire	.25	.28
Franklin	.02	.02¾
Falkenham	..	.40
Frontier R. Lake	.22	.23
Garnet	.09¼	.10
Gateway Pat.	.18	.21
Gillies Lake	.37	.42
Gold Eagle	1.48	1.50
Goldside	.15	.17
Golden Gate	.36	.39
Gordon Lebel	.32	.34
Gilbec	.05½	.06½
Horseshoe	.05¾	.06½
Hudson Patricia	.18½	.20
Jellicoe	.18	.20
Johnson Nipigon	.05½	.06½
Kaw Crow	.18	.22
Kerr Addison	..	.25
Kert McDonald	.30	.32
King Kirkland	.04¾	.05
Lamaque	8.25	8.50
Lafayette	.04	.05
Lappa Cadillac	.47	.50
Leitch Gold	.75	79
Lake Rose	.57	.60
Manitoba Basin (new)	.06	.07
Margaret	.29	.32
Madsen Red L.	1.07	1.10
Magnet Lake	.10½	.12
Martin McNeely	..	.20
Matachewan Can.	.21	.22
McAndrew	.33	.36
McCarthy Webb	.54	.57
McLellan	..	.26
Mosher	.59	.61
Moffatt Hall (new)	.33	.36
Murmac	.10	.13
North Shores	.04½	.05½
Old Diamond	.13	.15
Oklend	.35	.37
O'Leary	.20	.22
Opemiska Cap.	.80	.90
Oriole	.07½	.08
Oremond	.31	.34
Otisse L. L.	9.00	12.00
Ossan	.09	.09½
Paulore	.29½	.31
Porcupine Gold R.	.03	.04
Porcupine Lake	.37	.39
Pascalis	..	.25
Red Crest	..	.80
Ricard Ramore	.81	.83
Richmac	.33	.35
Roeanor	.29	.32
Rubec	.13	.14
Salmo Malartic	.20	.23
Sand River	.42	.46
Schreiber	.14½	.15
Skookum	.26	.29
Smelter Gold	.09	.11
South Keora	.13½	.14½
Spooner	.27	.30
Springer	.10	.13
Sturgeon R. Gold	..	.40
South Mackenzie	.26	.29
Tonawanda	.11	.12
Upper Can.	.26	.29
Wendigo	.19	.22
West-Side	.08	.10
W. Red Lake	.18	.19
White Horse	.17	.19
Young Davidson	.19	.21
Young Shannon	.20	.23

Mining Dividends

	Rate	Close Sept. 14	Yield %
Anglo-Huronian	20c	6.50	..
Beattie Gold	†5c	1.36	..
Bralorne	20c+10c	8.05	..
Buff. Ankerite	20c	8.05	...
Bulolo Gold	‡1.40	27.50	..
Cariboo	10c	1.95	5.1
Central Patricia	†4c	4.25	..
Coniagas	†12½c	3.25	..
Cons. Smelters	50c	58.00	..
Dome Mines	$2+$2	57.75	6.9*
Falconbridge	30c	9.30	3.2
Hollinger	65c+20c	14.62	5.8*
Howey Gold	2c	.80	..
Hudson Bay	50c	23.50	..
Island Mountain	†5c	1.24	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	11.50	5.2
Int. Nickel, c.	$1.40	56.87	2.4
Kerr Lake	5c	.75	..
Kirk. Lake	‡3c	.62	..
Lake Shore	$4	56.00	7.2
Little L. Lac	20c	5.80	..
Macassa	15c	4.60	..
McIntyre	$2	41.75	4.8
McKenzie R. Lake	†3c	1.85	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	1.36	..
Nipissing	50c	2.45	..
Nor. Can. Mining	2c	.55	..
Noranda	‡$1.25	63.00	2
Pickle Crow	15c	7.00	..
Premier	12c+1c	3.44	3.8*
Pioneer, B.C.	80c	7.60	10.5
Reno	12c	1.20	10
San Antonio	14c	1.80	..
Sheep Creek	†2c	.84	..
Siscoe	20c	4.80	4.2
So. Amer. Gold	20c	4.60	..
Sylvanite	20c	3.35	6
Teck-Hughes	40c+5c	6.00	7.5*
Toburn	8c	2.70	..
Ventures	†2½c	2.25	..
Wright-Har.	40c+20c	8.05	7.4*
Ymir Yankee Girl	5c	.51	..

‡Interim. †Initial. *Yield includes bonus.

Winnipeg Stocks

(Transactions from Sept. 8 to Sept. 12)

	Sales	High for period	Low for period	Close Sept. 12
Beaver Lumber	301	2.50	2.25	2.50
Candn. Fire	2	76.00	76.00	76.00
Black Eagle	300	.18	.18	.18
Cryderman	3,600	.09	.08	.09
Can. Rand	1,500	.07	.07	.07
Flin Flon	5,800	.27	.25	.28
Gold Lake	5,500	.12	.11	.11
Gurney Gold	1,500	.53	.50	.50
Herb Lake	500	.11	.11	.11
Island Lake	500	.04	.04	.04
Knee Lake	1,700	.07	.05½	.05½
Ore Grande	12,400	.20	.18	.19½
Oxford M.	100	.60	.60	.60
Pine Lake	1,000	.09½	.09	.09
Optic Lake	10	1.50	1.50	1.50
Sachigo River	70	22.00	21.00	22.00
Do., rights	25	8.00	8.00	8.00
United Grain	35	10.00	10.00	10.00
Vanson Man.	1,500	.02½	.02	.02
Wingold	3,800	.05½	.05	.05
Wylie Dom.	2,100	.50	.45	.45
Wpg. River Tin	6,500	.02	.01½	.01½
Wings Ltd.	300	1.25	1.15	1.15
West. Steel, pf.	5	10.00	10.00	10.00

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	..	1½
Home Invest.	20	..
Northern Trust	7	9½
Traders Bldg.	76	..

* Stocks more active on other exchanges not included.

Claim Sorel Undercutting Other Ports

Charge Favorable Gov't Contract Gives Unfair Advantage

GRAIN EXPORTS SOAR

From Our Own Correspondent

OTTAWA. — Strong representations are understood to have been made to the government authorities by grain and other shipping interests, against what is claimed to be unfair discrimination in wharfage charges in favor of the port of Sorel.

As a result of this discrimination it is pointed out that whereas Montreal for the crop year ended July 31, 1936, did not quite double its export clearances of grain and Quebec's only increased by 50%, Sorel registered a gain of almost 250%.

Shipping Soars

When the elevator capacity of the 3 ports is compared the gain by Sorel is even more impressive and, say shippers, more significant. Elevator profits, of course, are based on turnover. The oftener the bins are filled full and emptied the more the revenue.

Montreal clearances of 56 million bushels for the recent crop year represent a turnover of just a shade over 3 times the 18 million bushel capacity of its elevators. Quebec with storage capacity of 4 million had shipments of slightly under that amount. In other words there was not a complete turnover. But Sorel's 2 millions capacity scored a turnover of more than 6 times.

Figures are as follows:

Grain Clearances
(000's omitted)

	Elevator capacity	Yr. End. July 31 1936	1935
	(bus.)	(bus.)	(bus.)
Montreal	15,000	31,645	56,105
Quebec	4,000	2,548	3,772
Sorel	2,000	3,534	12,313

In the current season to date it is understood the ratio of clearances to elevator capacity is running still higher in favor of Sorel and against Montreal and Quebec.

Free Wharfage Charges

Explanation of this wonderful growth of Sorel port business, and it is said to be extending to coal and other commodities as well as grain, is attributed solely to the fact that there are no top wharfage charges at that point. Other ports, however, carry the regular harbor commission charges.

To an ordinary tramp freighter the difference of unloading and loading at Sorel means, it is claimed, a saving of about $500. Even where the incoming cargo is unloaded at Montreal and the boat slips down the 45 miles to Sorel empty to pick up grain, the saving claimed is around $350.

Favorable Contract

Wharfage adjacent to Sorel elevator is owned by the Dominion Government but the space is understood to be privately controlled under a long-term agreement signed in 1929, between private interests and the Department of Marine. This lease is believed to call for an annual rental of approximately $8,000. Government expenditures on the wharf and elevator foundations amount to around $175,000. Incidentally both elevators and wharfs at Montreal and Quebec, from which Sorel is said to be drawing business are government owned.

Seek Equal Treatment

Shipping interests, it is understood, are asking that either all top wharfage charges along the St. Lawrence route be done away with or else Sorel be put under a harbor commission and the regular charges made. They also intimate that chief cabinet opposition to their representations is expected from Hon. P. J. A. Cardin, now Minister of Public Works but in 1929 when the lease was signed Minister of Marine and in whose constituency Sorel is situated.

Favors "Duopoly" In Broadcasting

The radio corespondent of The Economist, London, England, thinks an ideal system of radio broadcasting would combine the merits of the British and American systems.

The supreme merit of the British system he considers to be its freedom from the advertiser.

The supreme merit of the American system he considers to be the excellence of programmes which competition between the 3 chains induces.

He suggests, therefore, duopoly instead of monopoly. He thinks the state should collect the license fee and own the actual transmitting stations. But he thinks the programme should be provided by 2 corporations competing with each other.

This writer is inclined to think that the tendency of the British system to give the radio listener what he should have rather than what he wants may require in the end the evolution of some method "of compelling the listener to listen." In Fascist states this has been achieved whenever the leader addresses his people.

This being so, suggests the writer with his tongue in his cheek, ideals will have to be tempered with caution. The broadcasting monopoly may defeat its own needs unless it makes some concessions to popularity. The defect of the British system is that it may be perfect but unlistened-to. The nearer its approach to perfection, the fewer listeners it has.

Soo Line's Deficit Reduced in July

From Our Own Correspondent

MONTREAL. — Minneapolis, St. Paul and Sault Ste. Marie Railway, controlled by the Canadian Pacific, reports a deficit of $447,439 for last July. For the same month in 1935 the deficit totalled $479,831.

Cumulative returns for the first 7 months of this year give a net deficit of over $3.6 millions, as against $3.9 millions in 1935.

DIVIDEND NOTICES

THE DOMINION BANK

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th September, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of October, 1936, to shareholders of record of the 19th September, 1936.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 13th August, 1936.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 42

NOTICE IS HEREBY GIVEN that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable October 1st, 1936, to shareholders of record September 15th, 1936.

F. J. MAW,
Secretary.

Hamilton, Ont., September 9th, 1936.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1936, payable 15th October, 1936, to shareholders of record 30th September, 1936.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, September 8th, 1936.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1936, payable 1st October, 1936, to shareholders of record 15th September, 1936.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, 8th September, 1936.

BUILDING PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a regular dividend of Thirty-five cents (35c.) and an extra dividend of Twenty-five Cents (25c.) per share has been declared on the outstanding common shares of the company for the quarter ending September 30th, 1936, payable October 1st, 1936, to shareholders of record September 16th, 1936.

By Order of the Board,
R. C. CROOKER,
Secretary-Treasurer.

DIVIDEND NOTICES

Canada Bread Company Limited

First Preference Shares

Notice is hereby given that a dividend of $1.25 per share has been declared on the First Preference Shares of the Company payable October 1st, 1936, to shareholders of record at the close of business on September 19th, 1936.

Class B Preference Shares

Notice is hereby given that a dividend of .50 cents per share has been declared on the Class B Preference Shares of the Company payable October 1st, 1936, to shareholders of record at the close of business on September 19th, 1936.

By Order of the Board,
W. S. ANTLIFF,
Secretary-Treasurer.

Toronto, Ontario,
September 14th, 1936.

The Ontario Loan and Debenture Company

197th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of $1.50 per share for the current quarter ending 30th September, 1936, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st October, 1936, to Shareholders of record of the 21st September, 1936.

By Order of the Board.
T. H. MAIN, Manager.

London, Ontario,
11th September, 1936.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 37

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending September 30th, 1936, payable October 15th, 1936, to shareholders of record at the close of business on September 30th 1936.

By order of the Board,
L. C. HASKELL, Secretary.

Montreal, August 28th, 1936.

BRITISH AMERICAN OIL COMPANY B-A LIMITED

Notice is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the third quarter ending September 30th, 1936. The above dividend is payable in Canadian funds, October 1st, 1936, to shareholders of record at the close of business on the 15th day of September, 1936.

Share Warrant Holders will present Coupons Serial No. 26 to the Royal Bank of Canada, Toronto, Ontario, or to the Royal Bank of Canada, Montreal, Quebec, on or after October 1st, 1936.

By order of the Board.

H. H. BRONSDON,
Secretary.

Dated at Toronto, September 15, 1936.

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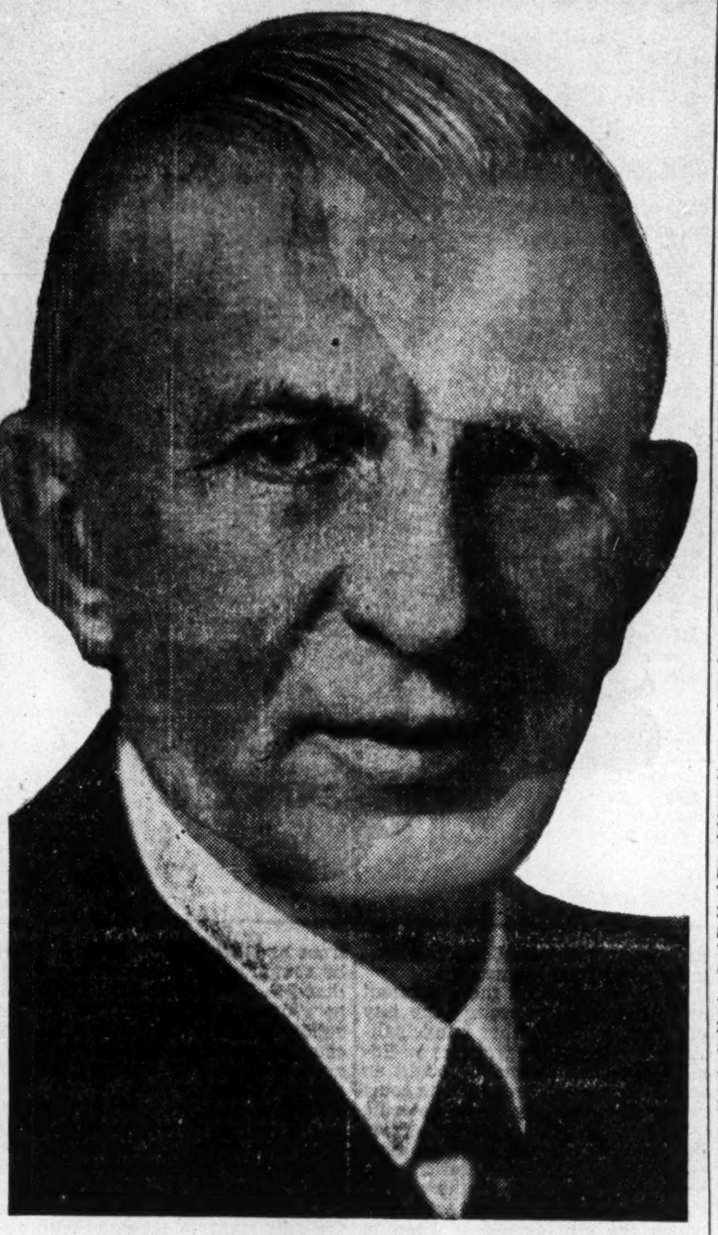
50 Years a Railwayman

S.J. Hungerford Started at 5 Cts. an Hour—Now Gets $30,000 Yearly—Knows Railroading from Ground Up



S. J. HUNGERFORD

The appointment of Samuel J. Hungerford, first as president and now as chairman of the board of the Canadian National Railways, should be most encouraging to the young men of Canada who feel it is hard to get a foothold to begin a career today.

"Sam" Hungerford's real education began when he left high school at 14 years of age, about half a century ago, and it has been continuing ever since. His father had died and it was necessary for "Sam," as he was then called, to do what he could to help out his mother and his sister. As machinist's apprentice the Southeastern Railroad at Farnham, Quebec, gave him 5 cents an hour and for good measure allowed him to work 10 hours a day so that he could make more money. This initial wage works out at 50 cents a day, $3 a week, $156 a year. At that rate it would take him nearly 2 centuries to earn as much as the $30,000 per annum which is now paid him for his job at the head of the Canadian National Railways.

But that $30,000 per annum was in his machinist's tool bag at Farnham.

Many Mail Addresses

Five years of apprenticeship passed before Sam Hungerford became a full-fledged machinist and he passed those years at all sorts of railroad jobs in Quebec, Ontario and Vermont. He was born at Bedford, Quebec, in 1872, but his mail has had to go since then to Farnham, Montreal, Megantic, McAdam, Cranbrook, Calgary, Winnipeg, Toronto and now once again to Montreal.

Mr. Hungerford has the respect and esteem of employees from coast to coast of the Canadian National Railways. That is because they know he knows not only his own job, but has an excellent working knowledge of what is entailed in every job. He came through a hard, but very efficient school. In his early days at Farnham he employed the leisure which he enjoyed after hour during his 60-hour week on books that threw light on the technical side of the work he had been doing through the day. He has never dropped that side of his education and people who know him state that there is no one today who can catch all the salient points of a blue print or see deeper into the possibilities for a new type of car or locomotive or tool or machine than can S. J. Hungerford.

He certainly knows what it is all about. His half century on the job makes a cross-section of railroad history. When he started railroading 50 years ago cars were coupled by the old "links and pins" and the air brake was unknown. He knows what small trains the old wood-burning engines used to haul and he knows every stage of progress in between those ancient engines and the types which today now haul huge freight loads or all-steel passenger cars.

Record in Tabloid

Here is the record of his experience:

1886-1891: Apprenticeship on Southeastern Railroad.

1891-1893: Journeyman machinist in Quebec, Ontario and Vermont.

1893: Married at the age of 21 years.

1894-1900: Chargeman for C.P.R. at Windsor St. Station, Montreal, and later assistant foreman and foreman at various points.

1901-1903: Locomotive foreman at Cranbrook, B.C.

1903: Master mechanic Western Division.

1904-1910: Superintendent of shops, Winnipeg.

1910: Joined Canadian Northern Railway Co. as superintendent of rolling stock at Winnipeg and in 1915 moved to Toronto in the same position.

1917: Became general manager of Eastern lines C.N.R.

1918: When Canadian National Railways was formed out of Canadian Northern, Canadian Government and National Transcontinental Railways he became assistant vice-president of operating, maintenance and construction department.

1920: Appointed vice-president operating and maintenance department of the Canadian National and Grand Trunk Pacific Railways when the latter company was brought into the amalgamation.

1922: Made general manager.

1923: Appointed vice-president when co-ordination became effective.

1932: Appointed acting president when Sir Henry Thornton retired.

1934: Appointed president of the system by a newly appointed board of trustees.

October 1, 1936: Prime Minister King announces that Mr. Hungerford will be chairman of the board of directors named.

No Blusterer

Mr. Hungerford is tall and slender with the demeanor of a scholar rather than of a man of affairs. He "talks things over" quietly and gets his results because he talks with complete knowledge of the subject. Men who have seen him under all sorts of trying circumstances state that he preserves under all conditions an unruffled manner.

He never blusters or commands; he seeks co-operation and gets it. The Financial Post could not find out from the friends of Mr. Hungerford if he ever had the traditional railroad man's talent for profanity and picturesque speech. If he ever had it, that milestone has long since been passed by. It is a matter of record that he believes the goodwill of tens of thousands of employees can only be retained by "friendly co-operation."

Likewise to an interviewer from a United States paper who wanted to know what he considered contributed most to his success, he said, "Attending to my own business and doing it thoroughly." And that is a true summary.

Relations of the new chairman with the employees have heretofore been excellent. The first federated shop agreement of the International Association of Machinists was signed on behalf of the Canadian Pacific Railway Company by Mr. Hungerford and the late Grant Hall, 2 railwaymen who made good in a big way by climbing almost step by step the same rungs of experience and with the Canadian National Railways he has continued to put in practice the labor policies built on his first hand knowledge of the fact that it takes all employees to make a railroad.

Mr. Hungerford likes publicity for the railroad and fights shy of it for himself. His preference for the background has prevented the public becoming acquainted with his personality as they were, for instance, with that of Sir Henry Thornton. The railway world knows him as a man of few words, quietly efficient, and always dependable.

Strong for Old Pals

His word is his bond, they say, and his friendship for his pals of old days is steady and strong. His belief in the future is strong and he is all in favor of increasing power and speed and efficiency of locomotives while reducing weight. He is for the best, strongest and lightest cars as well but he believes as well in getting the utmost out of present equipment first.

Mr. Hungerford was vice-president of the Canadian National Railways before he bought his first set of golf clubs. He likes the game when his duties permit because he has always been a devotee of walking and of exercise in the open air. As a young man he was a keen lacrosse player. He likes to drive his own car through the Quebec countryside. Whatever time he can spend for recreation in Montreal is spent on the Marlboro golf course or the course of the Royal Montreal Golf Club. He belongs to the St. James Club in Montreal.

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1936, to Shareholders of record as at close of business, September 15th, 1936.

W. S. BARBER,
Secretary-Treasurer.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 284

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 6th day of October, 1936, to shareholders of record at the close of business on the 21st day of September, 1936.

Dated the 14th day of September, 1936.

I. McIVOR,
Assistant-Treasurer.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1936,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-fourth Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending November 30th, 1934, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of September, 1936, and that cheques will be mailed October 1st, 1936.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
September 3rd, 1936.

DIVIDEND NOTICES

San Antonio Gold Mines Limited

(No Personal Liability)

Interim Dividend Number Six

Notice is hereby given that a dividend of seven cents (7c) a share on the outstanding capital stock of the company has been declared, payable October 10th, 1936, to shareholders of record at the close of business on the 21st day of September, 1936.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg, September 9, 1936.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company, for the quarter ending September 30th, 1936, payable October 1st, 1936, to shareholders of record at the close of business September 15th, 1936.

By Order of the Board,

E. W. McNEILL,
Secretary.

Dated at Toronto,
August 27th, 1936.

Sentinel-Review Marks Its 50th Anniversary

A 52-page number marked the 50th anniversary of the Woodstock Sentinel-Review on September 11. First published as a daily paper in 1886, the Sentinel-Review grew out of the weekly Sentinel founded in 1854.

The list of former employees among contributors to the issue indicates the high place of the paper as a training ground for leaders in Canadian journalism. Among these are E. Norman Smith, of Ottawa; J. F. MacKay, of Toronto; Maxwell B. Cody, of Regina; and Col. R. F. Parkinson, of Ottawa.

G. R. Pattullo, father of the present Premier of British Columbia, was one of the Sentinel-Review's most famous publishers.

The present business manager is Charles O. Tatham while W. E. Elliott is the editor.

The Sentinel-Review today is the survivor of a dozen newspapers which have been published in Woodstock.

Safety Net For Steel Workers

Steel workers on the giant Golden Gate Bridge being built across San Francisco harbor are protected by a 50 x 100 safety net which is moved along under the structure as work proceeds. As a result risk of death is minimized and insurance rates have been substantially lowered.

Obituary

James Brown, head of the J. L. Morrison Co., Toronto machinery firm; at his home in Toronto. He was 64.

George E. Challes, director of Abitibi Power and Paper Co., and Provincial Paper Co.; at his home in Toronto. He was 79.

Gen. W. L. Shannon, C.M.G., president and managing director of the News Printing Co., Kingston, Ont., managing director of the Ottawa Citizen Co., Ottawa, and former president of the Canadian Press. He was born in Kingston, Ont., in 1859 and died in London, Ont.

John H. Livingstone, long-time official of the Sun Life Assurance Co.; at the Montreal General Hospital. He was 54.

Capt. William Robinson, pioneer of the lumbering and fishing industries of Manitoba, at his home in Winnipeg. He was in his 87th year.

Central Power Stations Continue to Break Records

From Our Own Correspondent

MONTREAL. — The making and breaking of power production records by central electric stations in Canada continues unabated.

Last month central stations produced 2,020 million kw.h. of electrical energy, compared with 2,028 million kw.h. in June and 1,791 million kw.h. in July last year, according to returns compiled by the Dominion Bureau of Statistics. The increase of 12.8% over the 1935 output was shared in by all 5 economic areas, with the exception of Ontario which reports a decline of less than 1%.

Exports to the United States amounted to 157 million kw.h., or 69% more than in July last year.

Deliveries of secondary power to electric boilers dropped from 516 million kw.h. in June to 502 million kw.h.

Consumption of firm power, including all line losses, increased from 1,271 million kw.h. in July last year to 1,361 million kw.h. for the same month this year.

Cumulative Figures Higher

For the first 7 months of the current year, central stations produced 13,535 million kw.h., as against 12,451 million kw.h. in the same period a year ago. All areas shared in the increase, Quebec reporting the largest gain.

Of the total production to date this year, 926 million kw.h. were exported to the United States, as against 720 million kw.h. in 1935.

Deliveries to electric boilers in the 7 months period amounted to 3,985 million kw.h., an increase of 483 million kw.h. over the figures reported a year ago.

Consumption of energy to date totals 9,549 million kw.h., or about 900 million kw.h. more than in 1935. The consumption figures do not include exports and deliveries to electric boilers.

Buying Power Of West Shows 16% Increase

(Continued from page 1)

means that farmers in the West have already delivered wheat valued at $62 millions, against only $24 millions a year ago to the same date.

Just how much of this has been sold outright is open to question for there is a distinct tendency to hold for higher levels. But because of the guaranteed price substantial advances have been and can be made against stored grain.

Wheat threshing is well advanced, being completed in Manitoba, almost completed in Saskatchewan and about 65 to 70% completed in Alberta. The wheat that has been marketed has come forward mainly from Manitoba, southern and central Saskatchewan and southern and central Alberta, but reports from local observers in the later districts indicate fairly good quality, with the possible exception of northern Alberta where blackening of the kernel has been noticed on a portion of the wheat, a new kind of damage which may affect cash returns.

These are the salient facts of the general situation. Now to the possibilities of particular areas.

Effect on Areas

The accompanying map prepared from a recent bulletin of the Sanford Evans Statistical Service, shows what has happened. In 1935, rust and frost were the chief calamities that overtook a crop which had promise of exceptional yields. Rust affected 30% of the acreage, this being located in Manitoba and eastern Saskatchewan; frost took its toll of later crops in northern Saskatchewan and northern and north central Alberta. Both rust and frost affected disastrously grades as well as yields. Drought was present but confined to a strip along the Alberta-Saskatchewan border.

In contrast, all the 1936 losses, leaving out of account local damage by grasshoppers, cutworms, wireworms, rust and other minor agencies, were caused by drought and heat. There was a reappearance in 1936 on a hitherto unprecedented scale of the "drought belt," including southern and eastern Alberta, western and southern Saskatchewan, and a corner of southwestern Manitoba. Instead of affecting wheat grades adversely, however, drought had the opposite effect of maximizing protein content.

Manitoba Gains Most

In Manitoba, where rust took most of the 1935 crop, there are very large increases in the value of the crop, ranging from 6% in southwestern Manitoba, which may be classed as a drought area, up to over 400% in the Russell district. The premium on durum wheat has added a few cents per bushel to about 40% of the wheat crop of this province.

The drought area proper appears on the map where decreases are shown. There are even decreases in western Saskatchewan and eastern Alberta which were classed as drought areas in the previous year also indicating the severity of the losses this season. In east central Saskatchewan with good yields, the wheat crop is worth 3 times what it was in 1935.

Moving up into northern Alberta one cannot be too sure of the ultimate out-turn because of recent reports of damage, but at least it is definitely known that frost has not made the inroads it did a year ago, and a substantial increase in farm income is to be anticipated there.

McNish Bonds May Be Called

From Our Own Correspondent

MONTREAL. — Tentative plans are said to have been drawn up by Canadian Industrial Alcohol Co. to relieve itself of obligations in respect to Robert McNish & Co. debentures, which it guarantees as to principal and interest.

The plan entails disbursement of $1 million in cash to the present debenture holders, being approximately 20% of the face value of authorized issue, and new 5% debentures of the parent company for the balance in exchange for the existing 6% debentures of the McNish Co.

Of the $5 millions authorized issue of the 6% guaranteed redeemable debenture stock, par value $5, due 1948, there was shown outstanding at the end of the company's fiscal year of Sept. 30, 1935, $4,038,165. There is also issued £6,528 of 6% preference stock, and £10,000 of common stock, with 90% of both of these issues owned by the parent company.

Control of the McNish unit was acquired by Canadian Industrial Alcohol in the fall of 1927. Since that time it has been a drain on the parent company, through the guarantee of the debenture interest.

Col. Robert McNish, head of the McNish Distilleries and also the McNish clan, is making his first trip across Canada. He told The Financial Post in Toronto, trade is very good for his century-old firm. The Canadian trade he said has grown "by leaps and bounds."

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surp., pref.	$1.75	Oct. 1	Sept. 15
Assoc. Brew.	15c	Sept. 30	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Amer. Cyanamid, A	15c	Oct. 1	Sept. 15
Do., B	15c	Oct. 1	Sept. 15
Acme Glove	50c	Oct. 1	Sept. 20
Do., pref.	$1.62½c	Oct. 1	Sept. 20
Bralorne Mines	10c	Oct. 15	Sept. 30
Do., extra	5c	Oct. 15	Sept. 30
B. C. Power, A	40c	Oct. 15	Sept. 30
Bell Telephone	$1.50	Oct. 15	Sept. 23
Brazilian Tr., pf.	$1.50	Oct. 1	Sept. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Belding Cort.	$1	Oct. 1	Sept 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Brit. Am. Assur., c.	$1.25	Oct. 1	Sept. 26
Brit. Amer. Oil	20c	Oct. 1	Sept. 15
Bruck Silk Mills	‡10c	Oct. 15	Sept. 25
Bldg. Prod., A & B	35c	Oct. 1	Sept. 16
Do., extra	25c	Oct. 1	Sept. 16
Burt, F. N.	50c	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Confed. Life	$1	Sept. 30	Sept. 25
Can. Canners, 1 pf.	$1.50	Oct. 1	Sept. 15
Cosmos Imp. Mills	$1.25	Oct. 15	Sept. 30
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. For. Inv., pf.	$2	Oct. 1	Sept. 15
Do., com.	40c	Oct. 1	Sept. 15
Can. Nor. Pwr.	30c	Oct. 26	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Wirebound, A	37½c	Oct. 1	Sept. 15
Cariboo Gold	2½c	Oct. 1	Sept. 5
Can. W. & Cable, pfd.	*3.25	Oct. 1	Sept. 15
Central Can. Loan	$2	Oct. 1	Sept. 19
Central Pat. G. M.	4c	Oct. 2	Sept. 15
Can. Gen. Elec.	$1.25	Oct. 1	Sept. 15
Chartered Trust	$1	Oct. 1	Sept. 15
Carnation, 1st pfd.	$1.25	Oct. 1	Sept. 19
Celanese of America pr. pfd.	$1.75	Oct. 1	Sept. 18
Cons. Bakeries, ord.	20c	Oct. 1	Sept. 18
Can. Cottons	$1	Oct. 1	Sept. 22
Do., pref.	$1.50	Oct. 1	Sept. 22
Can. Bread, 1st pf.	$1.25	Oct. 1	Sept. 19
Do., B pfd.	50c	Oct. 1	Sept. 19
Consumers' Gas	$2.50	Oct. 1	Sept. 15
Crown Trust	$1.75	Oct. 1	Sept. 15
Canada Packers	75c	Oct. 1	Sept. 15
Can. Celanese	40c	Sept. 30	Sept. 18
Do., pref.	$1.75	Sept. 30	Sept. 18
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Dom. Bank	$2.50	Oct. 1	Sept. 19
Dominion Coal, pf.	37c	Oct. 1	Sept. 15
Dom. Glass	$1.25	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Dom. Rubber, pf.	$1.75	Sept. 30	Sept. 18
Dom. Textile	$1.25	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 15	Sept. 30
Econ. Invest.	37½c	Oct. 1	Sept. 21
Fanny Farmer	12½c	Oct. 1	Sept. 14
Do., extra	12½c	Oct. 1	Sept. 14
Falconbridge N.	7½c	Sept. 29	Sept. 10
Goodyear Tire	62½c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Gachin Gold	18c	Sept. 30	Sept. 15
Gt.-West Life	$5	Oct. 1	Sept. 19
Hamilton Cot., pf.	*.50c	Oct. 1	Sept. 15
Ham. Un. Theat., p.	$1	Sept. 30	Aug. 31
Hinde & Dauch	12½c	Oct. 1	Sept. 15
Hollinger Cons.	5c	Oct. 6	Sept. 21
Howe Sound	75c	Sept. 30	Sept. 22
Do., extra	60c	Sept. 30	Sept. 22
Huron & E. Mtge.	$1.25	Oct. 1	Sept. 18
Inter. Mining	15c	Sept. 21	Aug. 31
Inter. Nickel, c.	35c	Sept. 30	Aug. 31
Int. Nickel, pfd.	$1.75	Nov. 2	Oct. 3
Imp. Tobacco, ord.	8¾c	Sept. 30	Sept. 11
Do., pref.	3%	Sept. 30	Sept. 11
Inter. Pwr., 1st pf.	$1.50	Oct. 1	Sept. 15
John A. Lang	17½c	Oct. 1	Sept. 15
Kelvinator, com.	†$1.25	Sept. 25	Sept. 14
Land. Bkg. & L.	$1.25	Oct. 1	Sept. 15
Lava Cap Mining	†2c	Sept. 30	Sept. 10
London Life	$2	Sept. 30	Sept. 25
Lang, J. A. & Sons	†17½c	Oct. 1	Sept. 15
Mitchell, J. S., pf.	$1.75	Oct. 1	Sept. 16
Monarch Knitting	$1.75	Oct. 1	Sept. 15
Moore Corp., A pf.	$1.75	Oct. 1	Sept. 10
Do., B pf.	$1.75	Oct. 1	Sept. 10
Do., com.	25c	Oct. 1	Sept. 10
Mtl. C. & D. Bk.	$3	Oct. 1	Sept. 15
McColl-Fron., pfd.	$1.50	Oct. 15	Sept. 30
Nat. Breweries	50c	Oct. 1	Sept. 15
Do., Pref.	44c	Oct. 1	Sept. 15
Nat. Biscuit	40c	Oct. 15	Sept. 11
Niag. W. Weav., c.	40c.	Oct. 1	Sept. 21
National Trust	$2	Oct. 1	Sept. 19
N. S. L. & Pr., ord.	$1.25	Oct. 1	Sept. 16
Ottawa L. H.	$1.50	Oct. 1	Sept. 15
Do., pref.	$1.62½	Oct. 1	Sept. 15
Ottawa Traction	50c	Oct. 1	Sept. 15
Ogilvie Flour, c.	$2	Oct. 1	Sept. 19
Pickle Crow M.	5c	Sept. 30	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 1
Power Corp., pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pf.	75c	Oct. 15	Sept. 30
Petrol Oil & Gas	2c	Oct. 1	Sept. 15
Premier Gold M.	3c	Oct. 15	Sept. 15
Do., extra	1c	Oct. 15	Sept. 15
Pressed Metals	37½c	Oct. 1	Sept. 15
Page-Hersey	75c	Oct. 1	Sept. 15
Porto Rico Pr. pf.	$1.75	Oct. 1	Sept. 15
Reno Gold	3c	Oct. 1	Sept. 10
Remington-Rand	15c	Oct. 1	Sept. 10
Do., stock bonus	1%	Oct. 1	Sept. 10
Riverside Silk, A	50c	Oct. 1	Sept. 12
Sec. Std. R'lties, pf.	1c	Oct. 1	Sept. 15
Sher.-Williams, p.	*$1.75	Oct. 1	Sept. 15
South. Can. Pr., pf.	$1.50	Oct. 15	Sept. 19
Sylvanite Gold	5c	Sept. 30	Aug. 17
Sheep Creek Gold	2c	Oct. 15	Sept. 30
Sunshine Mining	50c	Sept. 30	Sept. 15
San Antonio Gold	7c	Oct. 10	Sept. 21
Standard Fuel, pf.	$1.62½	Oct. 1	Sept. 15
Teck-Hughes	10c	Oct. 1	Sept. 10
Tuckett Tob. pf.	$1.75	Oct. 15	Sept. 30
Tor. Mortgage	$1.50	Oct. 1	Sept. 15
Tamblyn, pfd.	$1.75	Oct. 1	Sept. 19
Tor. Elevators, pf.	$1.75	Oct. 15	Oct. 1
Tor. Gen. Trusts	$1	Oct. 1	Sept. 19
Un. Gold Equities	3c	Oct. 15	Oct. 5
Unit. Secs.	50c	Oct. 15	Sept. 25
Wright-Har.	10c	Oct. 1	Sept. 8
Do., extra	5c	Oct. 1	Sept. 8
W. Koot. Pr., pf.	$1.75	Oct. 1	Sept. 22
West. Grocers	50c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 30
West. Assur. com.	$1	Oct. 1	Sept. 20
Weston, Geo.	20c	Oct. 1	Sept. 19
Do., pref.	$1.25	Nov. 2	Oct. 20

‡Interim. *On arrears.
†Initial.

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Maclean's
Canada's National Magazine

Businessmen and Investors Directly Hit by New Legislation in Alberta

Unparalleled Conditions Set Up Under New Order

(Continued from page 1)

ties of the province and for the purpose of substituting such stock for treasury bills or money borrowed by the province. This perpetual stock is not to be redeemable for 35 years, and thereafter redeemable at par at such times as determined by the Lieutenant-Governor-in-Council. The principal and interest are to be a charge upon the general revenue fund and if not guaranteed by Canada the interest is made a first charge on provincial subsidies.

The word "securities" is defined to include bonds, debentures, treasury bills or notes, savings certificates and other securities. The Lieutenant-Governor-in-Council is empowered to accelerate the date of payment of presently outstanding securities; to declare the holders of securities shall accept perpetual stock upon the due date or accelerated due date in lieu of and in satisfaction for the principal sum payable under such securities. There is power also to declare the holder of securities is to accept in full satisfaction of all his rights and claims thereunder cash plus accrued interest, presumably at the rate stated in the bonds, to the date fixed for retirement.

Interest Cut in Half

This Refunding Act, however, was to come into force on proclamation and has not been proclaimed. Instead, by order-in-council of May 30, 1936, the provincial treasurer was authorized to offer and if the offer was acepted to pay in satisfaction of interest claims on all provincial securities, including savings certificates, rates of interest amounting to one half of the rates named in the securities. The only provincial obligation excepted is an issue of $7.4 millions of debentures of Alberta & Great Waterways Railway.

The next step was the proclamation of 2 orders-in-council purporting to be passed under the Social Credit Measures Act. The first of these was dated June 16, 1936. After reciting Section 7 of The Social Credit Measures Act, it states it is convenient and in the public interest that provision be made for the issue by the Government of credit certificates. These could be issued in respect of claims against the Government for goods supplied and services rendered in respect of unemployment relief works and for such other public expenditures as may be from time to time specified. It was provided that the provincial treasurer be authorized to issue credit certificates in denominations of $1 and $5 to an aggregate amount not to exceed $2 millions.

Stamp Certificates

The order-in-council provides the certificates shall bear the date of issue and be redeemable at the face value upon presentation thereof to the provincial treasurer after the expiration of 2 years from the date of issue provided that at the time of presentation there are attached to the certificates 104 stamps, each stamp representing 1% of the denomination of the certificate.

These stamps are to be sold to the public for cash by the provincial treasurer and the proceeds of the sales are to be kept in a fund to be used for the purpose of redeeming the certificates and defraying the expenses incidental to their issue. The order provides that a certificate is valid only in case there shall be affixed to the certificate stamps of the proper denominations for as many full weeks as have elapsed since the date of the issue of the certificate.

Redemption Confused

Following the proclamation of this order-in-council the Government issued contradictory statements as to what would be done with regard to the redemption of certificates prior to the expiration of 2 years from their date of issue. It was stated they would be redeemed for wholesalers and manufacturers to the extent to which they could show it necessary to have cash for payments outside the province but that no other person could have them redeemed. It was also stated by other members of the Government that the certificates would be redeemed for all persons who could show necessity for obtaining redemption.

The matter appeared to have been set at rest by an order-in-council of July 27, 1936, providing that notwithstanding the provisions of the previous order-in-council the provincial treasurer "shall pay out of the general revenue fund of the province the face value of any valid credit certificate presented to him on the Thursday, Friday or Saturday following the second Wednesday of each month, commencing with the month of September, A.D. 1936."

Although contradictory statements still continued to be made by ministers on the question of the redemption of these certificates, the provincial treasurer following the proclamation of this order-in-council stated they would be redeemed for "all and sundry" and it is believed that by a warrant of the Lieutenant-Governor $250,000 which is the amount of the first issue, was set aside for the purpose of redeeming them.

Registration and Covenants

The next development of the Social Credit policy is found in order-in-council, passed July 29. It recites the provisions of Section 3 of The Social Credit Measures Act and names Hon. E. C. Manning, who is Provincial Secretary and Minister of Trade and Industry, for the purpose of making the enquiries referred to. It further provides that in making his enquiries the Minister may obtain the desired information by means of certain forms consisting of the following:

Alberta Citizens' Registration Covenant, whereby the citizen "covenants, promises and agrees" to cooperate most heartily with the Alberta Government and with his fellow citizens in providing food, clothing and shelter for every one of us; to work whenever possible and to accept remuneration in Alberta Credit as far as he can reasonably do so and exchange as much of his income received in Canadian currency as convenient for Alberta credit; to make no claim or demand for payment in Canadian currency of Alberta credit; not to tender Alberta credit in payment of provincial taxes, etc., until the Alberta Government notifies its ability to accept the same.

Data for Government

The Alberta Government is understood to covenant with its citizens who sign the covenant to establish and maintain a just rate of wages with reasonable hours of labor; to grant interest-free loans; to give monthly dividends in Alberta credit; to redeem, when possible, Alberta credit with Canadian currency.

This form is retained by the citizen following registration. The second form which is retained by the Government gives a great deal of information and requires certain additional pledges. It gives the name, address, age, place of birth, state of health, nationality, names of wife and children, occupation, value of land holding, whether landlord, owner or tenant, and contains enquiries as to amount of rent and professional fees the citizen is willing to accept in Alberta credit. The applicant for registration is asked to state his willingness, if unemployed, to work at the regular recognized wages of his job if called upon to do so; also his present income from wages and other sources and his liabilities.

Covenant With Business

Manufacturers and processors are provided with another agreement. The Government covenants to encourage Alberta industries by issuing Alberta credit primarily for use in purchasing Alberta-made goods and services, to assist the manufacturer or processor in the sale and purchase of goods and raw material needed by him; to grant interest-free loans in Alberta credit; to establish and maintain prices of Alberta-made goods; to augment purchasing power by giving monthly dividends to registered citizens; to give bonuses enabling the manufacturer to compete in the world's markets in the sale of his surplus goods; to allow compensating discounts on purchases of certain goods by consumers when an accelerated sale is desired; to redeem when possible Alberta credit with Canadian currency when required.

In return for this, the manufacturer and processor covenant to produce as much as possible of goods or products for consumption in Alberta; to co-operate with the Government in planning to reduce the cost of production; to sell at least 50% of his output within Alberta for Alberta credit when called upon to do so provided the price allowed is at least equal to the general market price; to give information as required to the Government; to make no demand for payment in Canadian currency of Alberta credit held; to tender no Alberta credit in payment of provincial taxes, licenses, etc., until the Government is willing to accept it, and to deposit in case a bonus is given in any sale of surplus products the proceeds of the sale together with the bonus in the Credit House of the Alberta Government.

More Information

The manufacturer or processor is supposed to fill in a form giving to the Government information as to his business in part as follows:

Capacity of production; number of employees; number who would be employed at full capacity; sources of raw material whether in or out of Alberta; whether the use of Alberta raw material could be increased; percentage of finished product sold within or without Alberta; amount of capital required to bring plant to full capacity; amount of Alberta credit which could be used in the business for wages, raw materials and other charges; the amount of production that could be sold for Alberta credit; the greatest hindrances to expansion of the business There are questions as to whether the manufacturer or processor is heavily indebted to the bank or others, whether he is equipped with the latest machinery and, if not, what would be the estimated cost of modern equipment.

Similar forms and information are required from retailers and farmers and producers, the obvious objective being to get as many people as possible to agree to sell their goods and services for Alberta credit. The farmer is asked to dispose of one half of his surplus for Alberta credit.

Comes the Special Session

The foregoing gives a summary of the position prior to the opening of the special session of the Legislature August 25 last. at which session the following important acts were passed:

(a) An Act to provide the people of Alberta with additional credit called The Alberta Credit Housing Act;

(b) An Act respecting Prosperity Certificates;

(c) An Act to amend and consolidate The Debt Adjustment Act;

(d) An Act to provide for the Reduction and Settlement of Certain indebtedness;

(e) An Act respecting the Interest Payable on the Securities of Municipalities.

Credit House Act

The Alberta Credit House Act read along with the covenants and related documents referred to above is the only measure strictly bearing on the introduction of Social Credit within the province. There is set up "The Alberta Credit House" which is declared to be a body corporate. The Credit House is to be in charge of a board appointed by the Lieutenant-Governor-in-Council.

The function of the Credit House is declared to be "to furnish to persons entitled to Alberta credit facilities for the exchange of goods and services in the province in order to effect equation between purchasing power of such persons within the province and production within the province. For the purpose of discharging that function the Credit House is empowered, subject to the other provisions of the Act and any regulations made:

(a) To provide every person entitled to Alberta credit with the amount of any Alberta credit to which he may become entitled in such manner as may be prescribed by the Lieutenant-Governor-in-Council;

(b) To receive deposits of Alberta credit vouchers and of transfers of Alberta credit made in conformity with this Act from any depositor thereof and to keep an account of all such Alberta credit so received and to keep an account of any transfers of Alberta credit made by the depositors, and

(c) to receive currency and all kinds of negotiable instruments from any person and to convert the same into Alberta credit for an amount expressed in terms of currency equal to the currency and negotiable instruments so received and to make available to such person Alberta credit for the amount thereof."

One-way Deposits

Provision is made for the transfer of credit from one person to another on the books of the Credit House. No person shall be entitled to demand from the Credit House currency in exchange for Alberta credit. The Credit House is empowered to accept deposits of currency and securities from any person and deal with the same in such manner as may be agreed upon with the depositor.

The Credit House is empowered to provide advances of Alberta credit to persons engaged in agriculture or manufacture or industry in the province and to any person entitled to Alberta credit to defray any of the costs of the building of a home or the establishment of such person in any business vocation or calling. The amount shall be subject to the direction of the board of the Credit House. The Credit House shall be entitled to demand security including security by way of mortgage on growing crops subject to a charge of not more than 2% to cover costs of administration.

The borrower is obliged upon the day fixed for the purpose to restore to the Credit House the difference between the amount of Alberta credit advanced and the amount standing to his credit on the books of the Credit House. He may do so either by delivering to the Credit House transfers of Alberta credit to the amount of such difference or by payment to the Credit House of currency equal to the amount of the difference.

Can Buy Bonds

Alberta credit dividends paid out pursuant to the section above quoted are not to be deemed to form a part of the income of the person for whom the credit is provided, nor shall it be taken into account for income tax or relief purposes.

All money received by the Credit House is to be paid into a special account in a chartered bank or other place of safe-keeping and shall be used for the purpose of defraying expenses of operation, the conversion into currency of Alberta credit and to acquire securities issued by the province or issued by or guaranteed by the Dominion of Canada.

The Credit House when directed by order of the Lieutenant-Governor-in-Council shall place at the disposal of the provincial treasurer of Alberta credit to such an amount expressed in terms of currency as specified in the order.

Provincial Banking

Provision is made in the Act for the acceptance ultimately by the province of transfers of Alberta credit in satisfaction of taxes and for its similar acceptance by cities, towns and villages for taxes, services, etc., and the transfer in both cases of such credit so accepted to other persons willing to accept it. The Act also contains a section giving power to the Lieutenant-Governor-in-Council by order "to vary, add to or supplement with new provisions any of the provisions of this Act for the purpose of providing for matters arising out of the operation of this Act for which no express provision is made."

A perusal of the Act itself supplemented by statements made from time to time by the Premier and other ministers shows that what is being attempted is to set up a banking system within the province which will ultimately displace the present existing system under which bank credit is the most common medium of exchange.

Section 22 makes it clear that a banking business is intended. This is the section that provides that the Credit House is free to accept deposits of currency and securities and deal therewith in such manner as may be agreed upon.

Section 23 makes it clear that the loan of Alberta credit to customers of the Credit House is intended to be repaid either in Alberta credit or in money. The Act itself, to say nothing of the apparently considered utterances of the Premier, makes it quite clear that if the chartered banks can be closed up and all business now done by them transacted through the Credit House, the sponsors of Social Credit will be pleased.

Value of Credits

From the practical point of view the difficulty appears to be to determine just how the Credit House is to inject anything of value into its medium of exchange. Some, perhaps all, civil servants will be required to accept some of it in payment of salaries, and will endeavor to pass it on. Some of it will be given gratis in the form of dividends. But with no obligation of the province to redeem and no value under the control of the board of the Credit House, it is difficult to see how it can circulate except at a very substantial discount from the outset.

Nor is it easy to visualize the farmer either turning over to the Credit House or to private individuals in exchange for Social Credit any portion of the crop which he can turn into hard cash about the circulation of which there will be no difficulty. It is equally difficult to see why, save from a sense of loyalty to the system, people will exchange money and securities for the new medium of exchange.

The scheme, of course, must also pass the constitutional test and it is likely the Act is bad as encroaching on the fields of banking and paper money reserved for the Dominion Parliament.

Prosperity Certificates

The second of the acts referred to, being that respecting prosperity certificates, gives statutory authority to the order-in-council above referred to respecting the issue of these certificates. It further provides that the city of Edmonton and other cities, towns, villages and municipal districts may enter into agreements with the province "to purchase prosperity certificates or to accept prosperity certificates to assist in relieving distress caused through unemployment or for the relief of its indigent residents in lieu of or in addition to any monies which may have been granted, allotted or contributed by the province."

The reason behind the enactment of the sections respecting the city of Edmonton and other municipalities is obviously the fact that an Edmonton citizen recently brought an action seeking an order of the court restraining the city from entering into an agreement to purchase from the province $55,000 worth of these certificates. In consideration the province was to give to the city an additional $30,000 of the certificates which the city agreed to keep in circulation for a period of 2 years, that is to say, until the time arrived at which the province had agreed to redeem the certificates.

Certificates Few

The amount of the certificates outstanding is comparatively small and compared with the Alberta credit legislation the problem is not likely to become a serious one, especially since the Government has recently stated that it is unlikely that any more than the $175,000, which appears to be the amount now outstanding, will be issued.

So far as one can learn the certificates are not circulating freely, nor likely to do so. Lawyers generally, apparently are in agreement that the issue of the certificates is invalid on a number of grounds. Their issue and reissue appear to offend against the federal Bank Act, a section of which subjects to penalties those who issue and reissue documents intended to circulate as money. Further they impose a tax which has not been authorized by the Legislature and they are in contravention of The B. N. A. Act which commits control of the issue of paper money to the Dominion Parliament.

Debt Adjustment Act

The Debt Adjustment Act requires only brief comment. There has been debt adjustment legislation of general application in Alberta since 1930. The system adopted was that of compelling the creditor to obtain from a debt adjustment board a permit to sue. The application for a permit was made to a board subject to a right of appeal to a Judge of the Supreme Court.

The important changes made in the existing Act are 2, viz:

(a) The abolition of the right of appeal;

(b) A power reserved to the Lieutenant - Governor-in-Council by proclamation to "authorize in so far as the same may be within the legislative authority of the province of Alberta the postponement of the payment of all or any debts, liabilities or obligations existing or future, however arising, or of the enforcement of all or any liens or encumbrances or other securities whether created before or after the coming into force of this Act, and the prohibition in any Judicial District of the issue of any process out of the courts of the province in all or any classes of civil actions or the execution of process already issued in such actions or the staying of proceedings in civil actions and matters of any description pending in the courts or extending or otherwise varying the exemption privileges which execution debtors now enjoy."

The Lesser Evil

The powers referred to are to be exercised either generally or restricted to designated areas within the province, the residents of which by reason of drought, hail, frost or other adverse conditions are in need of the protection provided by the section.

Under ordinary circumstances the 2 changes referred to would have created considerable stir; the loss of right of appeal is serious to both sides and the broad powers given to the Lieutenant-Governor-in-Council comes as a shock to people who are accustomed to look to the courts for the protection of their property and rights. But the creditor interests were so stunned by the drastic nature of The Debt Settlement Act later referred to, that the change in the principle of the previous Debt Adjustment Act went by with scant notice.

Municipal Interest

The Act respecting Interest Payable on Securities of Municipalities is one which is to come into force on proclamation. The reason why this was done was expressed by the minister in charge of the bill to be to induce security holders to make voluntary adjustments with the municipalities concerned.

The Act provides that from and after the day upon which it comes into force the interest payable in respect of any security by a municipality shall not exceed 3% per annum. It provides further that notwithstanding the terms of any municipal security hitherto issued, interest payable thereunder shall on, from and after September 1, 1936, be computed at a rate of not more than 3%. The Act also provides that no judgment shall be given in any action or other proceeding in any court on account of any interest payable in respect of the securities of the municipality for an amount computed at any rate in excess of 3%. It will be noted that the Act is consistent with the policy of the Government with regard to its own securities.

Whatever may be said as to the Crown's right to legislate with regard to the interest rate upon its own securities (the suggestion being that the Interest Act does not bind the Crown even in the right of the province because not named therein) it seems to be clear that that principle does not apply to municipal securities. This Act should be bad in that it denies access to the courts to creditors for the purpose of enforcing contracts relating to interest which are valid under the Interest Act. The result is that the province is doing indirectly what it has no power to do directly, namely, to alter by reducing it to 3% the rate of interest payable on existing contracts, and to fix a maximum rate of interest upon future contracts.

Startling Act

The most startling of the Acts of the Legislature is the one providing for the reduction and settlement of debt. The word "debt" is defined to exclude debts due to the Crown, the Canadian Farm Loan Board, the Soldier Settlement Board, rates or taxes, debts due to or by municipalities, debts guaranteed by the Crown in the right of the province and any other kind or description of debt "declared by the Lieutenant-Governor-in-Council to be a debt to which this Act does not apply." It will be noted that the word "debt" is comprehensive enough to include secured and unsecured debts of all kinds, whether the debtor is an individual or a corporation.

The Act divides debts into 2 classes, namely, old debts, being those which arose before July 1, 1932, and other debts, being those which arose subsequent to that date. The Act provides that old debts are to be computed in amount as at July 1, 1932. "And the amount which shall be recoverable on account of any old debt shall be the following amount and no more, namely, the amount of the balance of the old debt outstanding and payable as at the 1st day of July, 1932, including any advances made under and by virtue of the agreement or other instrument creating or securing the debt, together with any further advance so made since that date, reduced by any payments made since July 1, 1932, whether on account of principal, interest or otherwise." After July 1, 1932, no interest shall be payable on any part of the debt and the amount so ascertained shall be payable in 10 installments on the 15th day of November in the year 1937 and succeeding years. The amounts of the first, second and third installments are 5% of the amount recoverable, of the fourth, fifth, sixth and seventh installments 10% of the amount recoverable.

Maximum of 5%

The amount recoverable on any debt, other than an old debt, shall be the amount of the original debt, together with subsequent advances made in respect thereof with simple interest thereon at the contract rate or at 5%, whichever is less. All sums paid on account of the debt whether in respect to principal or interest since the time when the debt was originally created are deductible.

Permit Still Needed

The Act provides that with respect to unsatisfied judgments with respect to old debts the amount payable under the judgment shall be the amount of the old debt which would be recoverable as above set out, together with taxed costs of judgment and execution. And it further provides that if installments of an old debt are not paid a creditor is not to proceed to enforce payment without a permit from the Debt Adjustment Board.

If the Board is satisfied that nonpayment was due to circumstances over which the debtor had no control the Board may refuse a permit or make an order for the payment of only part of the installment. In the case of a refusal of a permit, the installment with respect to which the application is made is postponed accordingly. In case an order for a partial payment is made the balance of that installment is to be spread over the period covered by the subsequent installments unpaid.

Hurts Institutions

It has been pointed out above that with the exceptions summarized the Act applies to all debts, whether secured or unsecured. It will hit heavily mortgage companies, insurance companies and banks, which classes of institution, as well as other creditors affected, are under obligation to pay interest on funds entrusted to them. The unscientific nature of the Act lies partly in the reduction in amounts collected by such institutions without any corresponding relief with respect to their obligations to their creditors. The Act would relieve a great many solvent corporations and individuals who are perfectly able and willing to pay all their obligations. How long the willingness would persist if this legislation were held valid is perhaps problematical.

Mr. Aberhart is reported as saying that there is nothing in the Act which prevents a debtor paying if he wishes to do so. Granted this, one can picture many solvent debtors constructing sufficient palliatives for their consciences when they begin to take advantage of the Act. It will operate detrimentally to creditors within the province who are debtors outside the province and who have to pay the full amount of their debts there. It must have the result of restraining credit, causing more business to be done for cash and reducing the volume of business done in the province. It must operate unfairly on the small merchant who has bought his goods for cash or on short-term credit and who voluntarily or otherwise extends long-term credit to his customers.

Unnecessary and Invalid

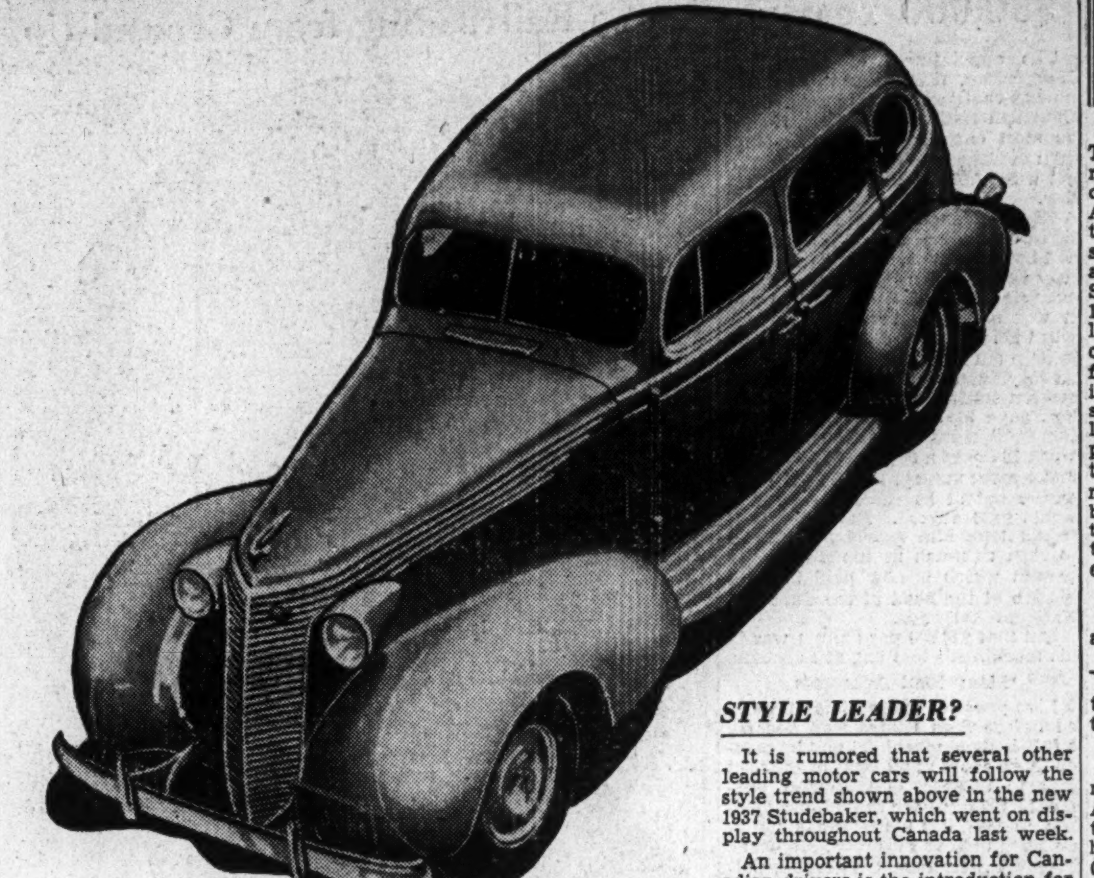
Such an Act does not appear to be necessary in that the provincial Debt Adjustment Act gives ample protection to solvent farm debtors and home owners, and the Farmers' Creditors Arrangement Act gives similar protection to insolvent farmers. Further, the Bankruptcy Act can be utilized for the purpose of bringing about compromises and adjustments between debtor and creditor. It should be remarked that far the greater proportion of creditors, particularly corporations and banks, have shown themselves ready to make voluntary compromises with honest debtors based on ability to pay.

Contravenes Many Laws

The constitutional invalidity of the Act appears to be quite clear. It appears to contravene The Bank Act, The Bills of Exchange Act and The Interest Act. Acting under powers reserved by The B. N. A. Act the Dominion Parliament has laid down rules by which banks are to operate and under which bills of exchange and promissory notes are to be dealt in.

The effect of this Alberta Act is to prevent a bank recovering, from a customer, part of the principal which the customer agreed to pay and also a part of the interest. Likewise it prevents the recovery of the full amount of the obligation incurred under a bill or note. The attempt to accomplish this is made by denying access to the courts for the purpose of recovering the full amount. It is an attempt on the part of the province to control banking and bills of exchange indirectly by denying the banks and others access to the courts for the enforcement of obligations perfectly valid within the controlling statutes. The Act on this ground should be invalid.

The matter of interest is also one which is expressly reserved to the Dominion Parliament.



STYLE LEADER?

It is rumored that several other leading motor cars will follow the style trend shown above in the new 1937 Studebaker, which went on display throughout Canada last week.

An important innovation for Canadian drivers is the introduction for the first time of a built-in windshield defroster.

What's What in Advertising

By TORY FLEMING
Editor, Canadian Advertising

The Advertising & Sales Club, of Toronto, plans to sponsor a series of radio programmes to impress on consumers the value of advertising. A similar programme has been travelling the air-waves in Montreal since early summer with considerable success, produced by the Ad-Sales Club of that city. Since Oct., 1935, Maclean's Magazine and Chatelaine have conducted an educational campaign along these lines, with a full page of different copy every issue. So successful has been the series that many advertisers place large orders for reprints of the pages and mail them regularly to their salesmen to be used as ammunition. Theme of the campaign has been the wisdom of buying advertised goods, as opposed to unadvertised, cut-price lines, illustrated by examples.

* * *

Bee Hive corn syrup almost scored a "possible" in the C.N.E. 1936 baby show with 7 winners out of 8 classifications expressing a preference, (through their parents) for the product. Cashing in on this fact, the St. Lawrence Starch Co. is running a half-page in evening dailies featuring the seven Bee Hive Babies. Vickers & Benson handle the account.

* * *

Baker Advertising Agency has released an autumn campaign, opening late this month and running until Christmas, for Wahl Co. Ltd. Copy features the leak-proof qualities of Wahl pens and is appearing in magazines and rotogravure sections.

* * *

Association of Canadian Advertisers will restate its stand on the daily newspaper agency franchise question at its annual meeting, scheduled for Toronto, Oct. 22-23. Reliable sources have it that the A.C.A. still does not see eye to eye with the Canadian Daily Newspapers' Association on the agency regulations and intends to reaffirm its requests for changes.

* * *

New manager of Young & Rubicam Ltd., Montreal advertising agency, is E. D. Ring, former vice-president of Ronalds Co., merchandising and sales promotion counsellor. He was for a number of years with Ronalds Agency and before that with the Canadian Pulp & Paper Association.

* * *

J. Walter Thompson Co. has been appointed to direct the advertising of J. B. Williams Co. (Canada) Ltd., Montreal, maker of Williams shaving cream, Aqua Velva and other products.

* * *

Beginning Sept. 25, Quaker Oats will offer 4,168 prizes for the best title to a photograph of Dr. Allan Dafoe and his 5 charges, which will be featured in a broad daily and farm paper campaign. Open to anyone in this country or the United States, the contest requires all who hope to win one of 6 Chevrolet sedans, 42 Frigidaires, 120 RCA Victor radios, 4,000 cash awards, to send in 2 Quaker Oats package trademarks with their title selection.

* * *

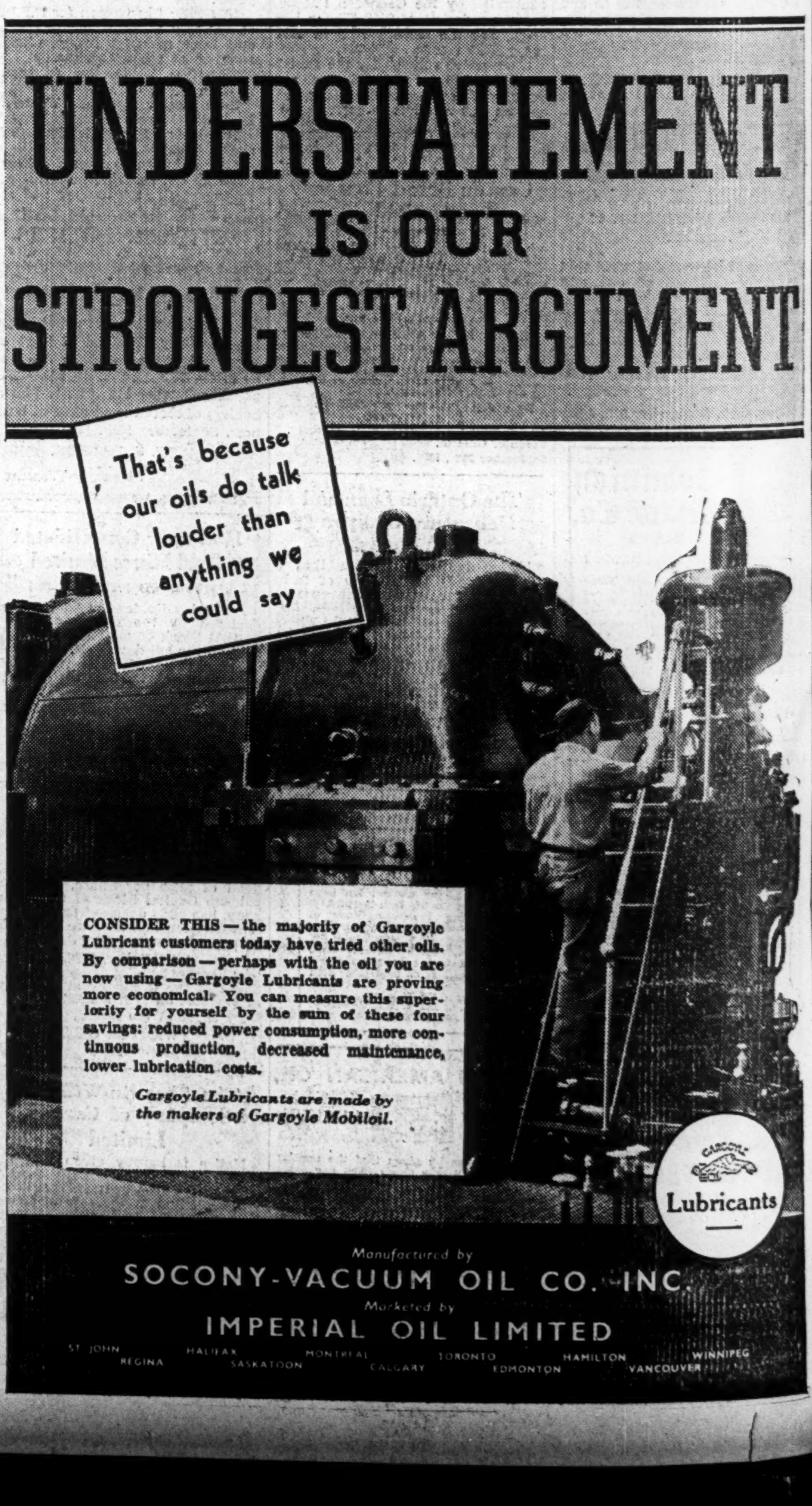
Four-color, full-page advertising in October magazines opens 2 campaigns for Empire Food Corp., the first of which will feature the 8 items in the firm's Green Giant line of canned vegetables. Emfo products, another Empire line, will be pushed in the second campaign. Advertising will appear regularly until May, 1937, and is being placed by Walsh Advertising Co.

* * *

A new campaign for Wilkinson Razors, product of the Wilkinson Sword Co., London, England, begins in October, using magazines and newspapers. Vickers & Benson, Toronto, are directing it.

Halifax Building

Building permits issued in Halifax during the first 6 months of 1936 will almost double those for the same half of last year.



UNDERSTATEMENT IS OUR STRONGEST ARGUMENT

That's because our oils do talk louder than anything we could say

CONSIDER THIS — the majority of Gargoyle Lubricant customers today have tried other oils. By comparison — perhaps with the oil you are now using — Gargoyle Lubricants are proving more economical. You can measure this superiority for yourself by the sum of these four savings: reduced power consumption, more continuous production, decreased maintenance, lower lubrication costs.

Gargoyle Lubricants are made by the makers of Gargoyle Mobiloil.

Gargoyle Lubricants

Manufactured by
SOCONY-VACUUM OIL CO. INC.
Marketed by
IMPERIAL OIL LIMITED
ST. JOHN REGINA HALIFAX SASKATOON MONTREAL CALGARY TORONTO EDMONTON HAMILTON VANCOUVER WINNIPEG

Week in Wheat

Strength of Liverpool Appearing at Winnipeg

Domestic Market Getting Into Line With Overseas — Growing World Shipments Presage Bigger Canadian Shipments

From Our Own Correspondent

WINNIPEG.—The Winnipeg wheat market appears to be displaying independent strength when its advance has continued in spite of a reaction at Liverpool. This development was marked by extremely active trading at Winnipeg. It is not regarded, however, as any indication of a tendency of Winnipeg to get out of line with Liverpool but rather to narrow existing spreads. In fact Liverpool strength has not yet been fully reflected in Winnipeg. Chicago likewise has been lagging behind.

The movement was helped by some very large purchases attributed to Italian account. This was believed to be the first important business done with Italy this year, as her previous purchases appear to have been of Danubian wheat.

World shipment of 11 million bus. last week looks impressive, and if it can be sustained for a few weeks will presage the movement of large quantities of Canadian wheat as soon as the movement from Black Sea ports subsides.

Bullish European Factors

DISAPPOINTING return from the European wheat crop is a big bullish factor. At last Liverpool is beginning to calculate on probable out-turn of the coming crops in both Australia and Argentina. Both countries are coming into a critical period when unfavorable weather may impair yield prospects. The market has been discounting good yields in both countries, and any suggestion of setback is capable of considerable bullish influence.

With the Australian surplus nearly all disposed of, the Australian market has become very strong, and Australian wheat is quoted in Liverpool at a premium of 5 cents a bushel over No. 1 Nor. Some wheat from India is offered in Great Britain, but only in small quantities, and at a premium over Canadian wheat.

* * *

Narrow Grade Spreads

THE spread between prices of different grades of Canadian wheat is amazingly small, in view of the difference in milling quality which is ordinarily attributed to them. No. 3 Nor. has been at a discount of only about 4 cents a bushel under No. 1, and No. 6 wheat only 9 cents a bushel. The quantity of the lower grades in this year's crop is very small, and the protein content of all grades is unusually high.

Separate grades are provided now for No. 1 and No. 2 Garnet wheat. But practically no wheat is being handled under these grade names, for both the Garnet grades are at a discount under No. 3 Nor., in which Garnet wheat, not good enough for the 2 official Garnet grades, can be included.

Interest in durum grades on the Winnipeg market has declined, largely owing to the milling strike in Minneapolis, where the bulk of such wheat is milled. Premiums are still maintained, but they are smaller than some weeks ago.

* * *

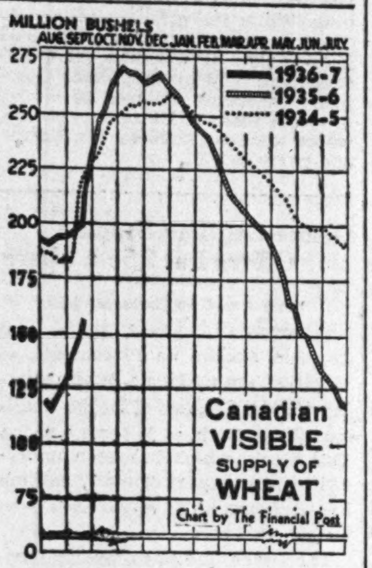
Predicts a Cleanout

AN EXPORT market for every surplus bushel of Canadian wheat is intimated by Richard J. Mayer in the Wall Street Journal. Any expansion in the use of U. S. wheat for feed, Mr. Mayer points out, would necessitate seasonal imports of more than 50 million bushels of wheat from Canada. Unless conditions are unusually favorable in the Argentine and Australia he expects Canadian exports to the United States will not terminate, as earlier expected, in January but will continue throughout the whole season.

Thayers Defers Dividend As Surplus Is Still Low

Surplus of Thayers, Ltd. is not yet at a point where directors feel justified in declaring a preferred dividend, S. E. Prowse, secretary, states in a letter to shareholders. The dividend normally due July 2 was deferred because of profits being limited by the snow conditions of last winter and by excessive competition which developed in its area. Sales were therefore lower to the end of April.

Through the summer sales have been maintained on the level shown in 1935, Mr. Prowse states. The board therefore hopes that by the end of the year a dividend may be possible. Surplus is gradually being built up with that end in view.



ROUTINE

Canadian marketing of wheat appears to have settled down to routine. On the receiving side of visible wheat is coming in from farmers' bins at the rate of about 10 to 12 million bushels per week. Export clearances are steady at almost 5 millions weekly. This means a weekly gain of about 5 to 7 millions of accumulating wheat in marketable positions. But last year as the chart above indicates it was more of a one-way movement with grain coming in but exports down to 50% or less of this year's sales.

Details in bushels are as follows:

Canadian Visible

Week of Sept. 11	Last Week	Last Year
154,041,000	147,739,000	206,904,000

Export Clearances*

Week of Sept. 4	Last Week	Last Year
5,492,330	4,699,054	3,004,993

*Plus U. S. imports.

Flour Exports Up Slightly

Leading August, 1935 — Big Wheat Gain on Year

August wheat flour exports were up slightly from the same month a year ago, but showed more than the usual seasonal drop from the previous month. Almost 390,000 barrels were exported to all countries from Canada or more than 10,000 bbls. above August, 1935. In July, however, exports amounted to almost 445,000 bbls.

August wheat exports of approximately 21 million bus. were practically the same as a year ago though the value was considerably higher. Details are as follow:

FLOUR EXPORTS
(000's omitted)

	1936 Bbls.	1936 Value $	1935 Bbls.	1935 Value $
Aug.	388	1,597	377	1,405
July	445	1,707	395	1,460
12 mos. ended Aug.	5,367	21,616	5,127	19,643

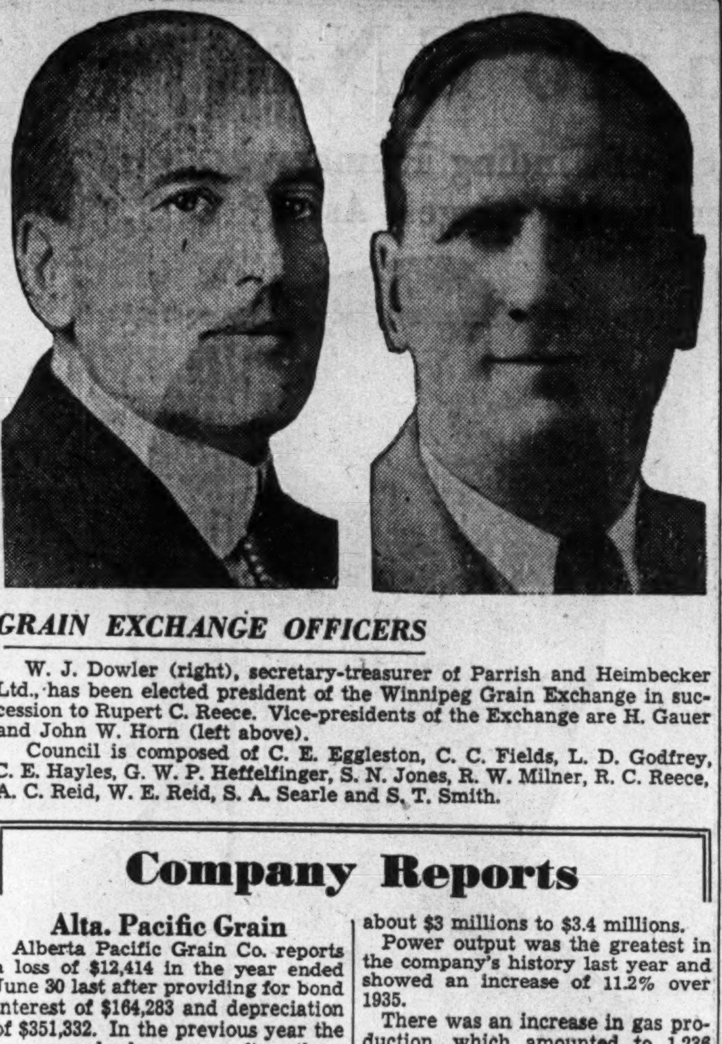
WHEAT EXPORTS
(000's omitted)

	1936 Bus.	1936 Value $	1935 Bus.	1935 Value $
Aug.	21,157	20,854	21,698	17,604
July	25,913	21,885	9,158	7,214
12 mos. ended Aug.	253,177	211,031	166,073	136,032

J. M. Consolidated Gold Options All Taken Up

From Our Own Correspondent

MONTREAL.—J. M. Consolidated Gold Mines has notified the Montreal Curb Market that all options on the shares of the company have now been exercised and that no shares remain under option.



GRAIN EXCHANGE OFFICERS

W. J. Dowler (right), secretary-treasurer of Parrish and Heimbecker Ltd., has been elected president of the Winnipeg Grain Exchange in succession to Rupert C. Reece. Vice-presidents of the Exchange are H. Gauer and John W. Horn (left above).

Council is composed of C. E. Eggleston, C. C. Fields, L. D. Godfrey, C. E. Hayles, G. W. P. Heffelfinger, S. N. Jones, R. W. Milner, R. C. Reece, A. C. Reid, W. E. Reid, S. A. Searle and S. T. Smith.

Company Reports

Alta. Pacific Grain

Alberta Pacific Grain Co. reports a loss of $12,414 in the year ended June 30 last after providing for bond interest of $164,283 and depreciation of $351,332. In the previous year the company broke even after these charges and setting aside $12,000 for taxes.

Further improvement in working capital was effected during the year, there being a gain of $284,253 over that reported at the end of June, 1935.

In his report, H. E. Sellers, president, pointed out that suspension of sinking fund payment arrangement expired last June 1. Operations during the current year, he said, will decide whether application will be made for an extension of this agreement.

Dominion Woollens

With an increase of 27% in value of shipments over the preceding year, Dominion Woollens & Worsteds Ltd., Toronto, reports a net profit of $3,661 for the year ended June 30, 1936, compared with a loss of $238,756 in the preceding year. This improvement includes $100,000 for depreciation, but without allowance for interest on the $1,058,500 of 6% bonds, which is payable up to July 1, 1937, only if earned.

The amount of bonds was halved and interest placed on an income basis by the 1935 reorganization after interest was defaulted Dec. 1, 1934. Bondholders were given $20 of new non-cumulative preferred stock for their remaining claim.

The effect of the 1935 reorganization has been to allow the company to increase working capital to $578,000 this year, but bank loan was $607,000 at June 30, compared with $502,000 in 1935. This was due largely to an increase in inventory to $1,023,165 from $957,841 last year. Accounts receivable have increased with higher business volume and payables have been reduced.

Income Account, Years Ended June 30

	1936 $	1935 $
Net earnings	135,432	*224,007
Less: Depreciation	100,000	......
Directors' fees	1,920	1,440
Amort. of water pwr. leases	3,338	3,338
Officers' salar's, etc.	23,966	......
Prov. for taxes	1,395	......
Prov. for bad debts	1,152	9,971
Net profit	3,661	*238,756
Add: Previous surplus	519,625	626,193
Reversal of accr. bd. int. added to cap. surplus	......	137,605
Reversal of accr. bd. int. for year ended June 30, 1934, added to earned surplus	......	127,020
Less: Addit. deprec. for June 30, 1934	......	110,513
Inc. taxes, year end. June 30, 1934	......	2,700
Reorganization exps.	......	19,223
Balance forward	523,286	519,626

*Deficit or loss.

Working Capital

	1936 $	1935 $
Current assets	1,426,494	1,242,899
Current liabilities	848,353	800,586
Working capital	578,141	442,313
Ratio	1.68—1	1.55—1

B. C. Power

British Columbia Power Corp.'s financial statement for the year ended June 30, 1936, shows earnings of $1.64 a share on the class A stock, as against $1.68 in the preceding year. Gross revenues at $13.9 millions, were over $900,000 greater than the previous year. Net revenue was practically the same but a small increase in bond interest and other underlying charges reduced the amount available on the capital stock by approximately $45,000.

The only change of interest in the balance sheet is an increase in investments during the year from about $3 millions to $3.4 millions.

Power output was the greatest in the company's history last year and showed an increase of 11.2% over 1935.

There was an increase in gas production, which amounted to 1,236 million cubic feet, against 1,190 million cubic feet in the preceding year.

The railway system showed an increase in passenger revenue of 4.7%. Freight revenue showed an increase of 28.4%, principally due to increased movement of wood products. The agreement with the city of Vancouver with regard to street car fares was renewed without change for a period of 3 years from May 8, 1936.

Income and Surplus Account Year Ended June 30

	1936 $	1935 $
Gross revenue	13,950,956	13,030,091
Less: Oper. exps.	6,109,969	5,560,465
Inc. & prop. taxes	1,563,204	1,434,829
Depr. & renewal res.	1,842,295	1,844,219
Prov. for accidents	120,554	......
Appraisal exp.	123,432	......
Net revenue	4,191,502	4,190,578
Bond int., etc.*	2,549,560	2,055,504
Balance	1,641,942	1,685,074
A dividends	1,550,000	1,500,000
Surplus for year	91,942	185,074
Prev. surplus†	1,147,459	1,034,691
Total earn. surplus	1,239,401	1,219,765

* Includes also, proportion of bond discount written off, cost of exchange, and preferred dividends of subsidiary companies. †Adjusted.

Working Capital

	1936 $	1935 $
Current assets	8,175,031	7,711,073
Current liabilities	3,524,510	3,167,863
Net working capital	4,650,521	4,543,210

Loblaw Groceterias Co.

Loblaw Groceterias Co., Toronto, reports a third successive 4-week period of improved sales and profits since the current year opened June 1. For the 12 weeks ended Aug. 22, sales are reported 14.5% ahead of last year's period and profits up 14.5%. Comparative figures follow:

Loblaw Sales and Profits

	1936 $	1935 $	Incr. %
4 wks. to Aug. 22:			
Sales	1,260,119	1,081,529	16.5
Profits	55,397	47,794	15.9
12 wks. end. Aug. 22:			
Sales	3,808,851	3,327,970	14.5
Profits	152,364	128,787	18.3

Note—The company points out that 4-week period statements are not wholly reliable for comparison because special buying opportunities in one year may not be available in the next.

Inter. Hydro Electric

Consolidated revenue of International Hydro-Electric System for the second quarter of 1936 amounted to $15.5 millions an increase of nearly $400,000 over the same 3 months in 1935. Balance added to the surplus after all charges was $58,331 compared with $57,926 in 1935. This slight improvement in the face of the sharp drop in earnings of Canadian properties results primarily from increased revenue from sales of electricity by subsidiaries of New England Power Ass'n.

In his report to the shareholders, Irwin L. Moore, president, states that last July the Narragansett Electric Co. sold $34 millions 3½% series "A" first mortgage bonds, due July 1, 1956, at a premium. Proceeds were used to retire bank loans incurred in connection with redemption of 5% bonds recently outstanding.

Statement of Consolidated Profit and Loss

	Quarter ended June 30 1936 $	Quarter ended June 30 1935 $
Operating revenue	14,741,986	14,272,928
Other income	772,743	884,176
Total revenue	15,514,729	15,157,104
Less: Oper. exps.	4,740,531	4,537,704
Maintenance	985,175	938,928
Taxes	1,718,663	1,774,668
Net income	8,070,360	7,905,804
Less: Int. on funded debt of subs.	3,187,962	3,216,809
Int. on debs.	398,520	405,779
Debt discount	222,696	236,429
Depreciation	1,384,047	1,209,595
Income taxes	465,415	493,163
Divds. of subs.	1,553,564	1,737,363
Divds. not paid on stocks of subsid.	586,575	402,979
Minority interest	213,250	145,761
Balance to surplus	58,331	57,926

Humberstone Shoe

Humberstone Shoe Co., Humberstone, Ont., had net profits after income tax of $57,608 in the year ended July 31, 1936, compared with $56,000 in the preceding year. Earnings were equivalent to $2.88 a share compared with $2.80 a share in the 1934-35 year. Dividends have been continued at $2 a share annually. Sales for the 1935-36 year are reported as the largest in the company's history.

Current assets were $566,913 at July 31 and current liabilities $142,786, leaving working capital of $424,127. This compares with working capital of $402,507 at July 31, 1935.

Chemical Research

Expenses of Chemical Research Corp in the 12 months ended Dec. 31, 1936 were $2,715 in excess of income for the same period, according to the company's annual financial statement.

Total income was $3,000 from dividends, and expenses were $5,715 including taxes of $2,130. Current assets are shown at $7,191, deferred assets at $171,474, and investments of $7.2 millions represent 600 shares of Gyro Process Co. stock, comprising 60% of the latter company's issued stock. It is noted that the valuation of $7.2 millions is based on an appraisal by the directors of Chemical Research. Current liabilities are $277.

Pure Oil Co., principal and oldest licensee of Chemical Research, converted its license from a running royalty to a paid-up royalty for 4 million barrels of gasoline per year. Half the royalty has been paid in cash and the balance is to be paid by the end of 1937.

Dominion Stores Ltd.

Another sales increase, this time 13.7%, is reported by Dominion Stores Ltd. for the 4-week period ended Sept. 9. It brings the total increase for the year up to 10.8%. Since the company revealed its loss at $37,000 for the first 5½ months of this year, sales have gained at the increased rate of about 13%. Should the higher rate of increase be maintained in the busy autumn month, it is expected the company could turn in a profit for the year. In 1935 there was a total loss of $610,000.

The increase in stores is less than the increase in sales shown below:

Dominion Stores Sales

	1936 $	1935 $	Incr. %
4 wks. to Sept. 9	1,467,762	1,290,685	13.7
36 wks. to Sept. 9	13,333,905	12,039,106	10.8

Will Complete Victory Bldg. Work at Once

It is to Become Toronto's Most Modern Office Building

TO SPEND $600,000

The skeleton-like, unfinished Victory Building, which has besmirched the Toronto financial district's skyline since 1929, is to become the Queen City's most modern office building.

Plans of A. R. Roberts, Toronto engineer, who recently purchased the unfinished structure from the Royal Trust Co., trustee for bondholders of 80 Richmond St. West Ltd., former owners of the property, for $110,000 cash, plus $5,000 to lienholders, call for a fully air-conditioned and soundproof building to be ready for occupancy March 1, 1937. In addition, the building will have more elevator service per square foot of rentable space than any other downtown building in Toronto, The Financial Post is informed.

Work to complete the building is to be commenced immediately, the contract to be awarded within a week.

Financed Privately

Finances to complete the building are being provided by private sources, Mr. Roberts informs The Financial Post. On completion of the building, however, it is expected that a first mortgage bond issue will be offered in order to reimburse the promoters. Names of those associated with Mr. Roberts in the enterprise are not available.

The building is to be completed to 20 stories. Originally planned as a 24-story building, the 19th story had been poured, and facing on the reinforced concrete completed from the fifth to the fifteenth floor when building operations were discontinued in November, 1929. The original plans of stone and brick faced reinforced concrete will be followed, but an important variation will be the installation of complete air-conditioning and soundproofing. The façade of the building at the base is to be of black granite.

To Use Plywoods

Another unique feature of the interior of the building will be the lobby which is to be finished in rare plywoods and bright metals such as used on the finishings of "floating palaces" like the Queen Mary and Normandie. The building will be equipped with indirect lighting throughout.

Estimate Cost at $600,000

It is estimated by Mr. Roberts that $600,000 will be required to complete the building as planned. Concrete for one more story will have to be poured, a roof put on, facing on 9 stories and all glazing. After that the whole interior will have to be finished and elevators installed.

The total cost of the building, including purchase price, to Mr. Roberts and his associates will be $725,000, it is estimated. The original value of the completed structure was estimated at $1.9 million in 1929 when the offering of $1.2 million of first mortgage bonds of 80 Richmond St. West Ltd. was made. This, of course, is much too high in the light of present day values. As office rents since 1929 have not dropped to anything like the same extent as the estimated cost of the building, some real estate authorities feel that Mr. Roberts has secured a bargain.

Estimated Revenue

Rentable space in the completed building will total 90,000 sq. ft. and office space is to be rented at $1.75. This compares with $2.50 per sq. ft. which it was planned to ask in 1929, and $2 per sq. ft. which is currently being charged by the most modern centrally located buildings. Assuming the building is wholly rented this will bring a gross annual revenue of $157,000. Estimating operating expenses, taxes, etc., at $60,000, which is $15,000 lower than estimated in 1929, there will be available for interest, amortization, etc., $97,000 annually. Interest at 6% on the estimated cost of the building would be $43,200.

Leases Have Been Secured

Indications are there will be no difficulty in securing tenants for the building, Mr. Roberts states. A number of leases have already been negotiated and numerous enquiries received. To date the greatest interest has been evinced by law firms and this is attributed to the accessibility of the building from the City Hall and Osgoode Hall.

The purchase price of $110,000 cash is not expected to leave anything available for the first mortgage bonds of 80 Richmond St. West, which are outstanding to a principal amount of $546,800.

More Women Buy Insurance

Four times as many women are buying life insurance today as purchased life insurance policies in 1915 when wartime emergencies began to open new fields to women, according to a special survey prepared for Life Insurance week.

In 1915, women policyholders totalled 3% of the number of lives insured. Today women approximate 15% of total new life insurance business and hold about 10% of the aggregate insurance in force.

May Take Over Alberta Wheat

Social Dividend Contracts Call For Half Crop Delivery

From Our Own Correspondent

EDMONTON. — Alberta farmers who recently signed contracts with the Provincial Government, entitling them to share in Social Credit dividends are beginning to worry over the prospects of having to dispose of half their grain as stipulated for "Alberta credit."

The provision was not very seriously regarded during signing, but the contracts have since been validated by an Act of the legislature.

There is a rumor that the Government now intends to enforce the clause. The grain would be sold outside Alberta to secure backing and circulation of "Alberta credit" instead of money.

Conflict With Grain Act

Such actions, of course, might bring the Alberta Government into conflict both with the provisions of the Canada Grain Act and with the "Trade and Commerce" clause of the British North America Act.

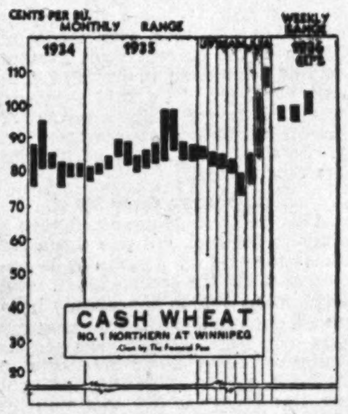
Under the former Act grain is allowed to be bought only by licensed grain dealers, and the manner in which they must buy, including payment in cash is clearly laid down. Apparently there can be no doubt that an elevator buying grain from a farmer or selling it for him must settle in currency.

The real problem is whether or not the Alberta Government, under the contract and the law, can come between the farmer and the elevator company. Not, apparently, is it possible as a licensed grain dealer, for then it would have to abide by the provisions of the Canada Grain Act.

But the farmers ask perhaps the Canada Grain Act may not bind a provincial government?

As a general rule farmers with prospects of fairly good crops did not sign the Social Credit contract, while those with complete or partial crop failures did so. And at least some of the latter are hurrying their grain to market before there is any chance of it passing into Government control.

Wheat Prices



(Cash Quotations)

At Winnipeg:	For Week Sept. 15 High $	For Week Sept. 15 Low $	Prev. Week High $	Prev. Week Low $
1 Man. Hard	1.05	.99¾	1.00⅞	.95½
1 Northern	1.04¼	.99	.99¾	.94¾
2 Northern	1.02¾	.97⅜	.98⅛	.93⅛
3 Northern	1.00¼	.94⅞	.95⅜	.90½
4 Northern	.97¾	.92	.92⅞	.87
5 Wheat	.95	.88½	.89⅜	.83¾
6 Wheat	.93	.87½	.88⅜	.83¼
Feed Wheat	.80	.75	.75⅝	.67¾
Vancouver: Week to Sept. 14:				
1 Northern	1.01⅜	.98	.97⅛	.93¾

Competitive Export Prices:
(Sept.) shipment.

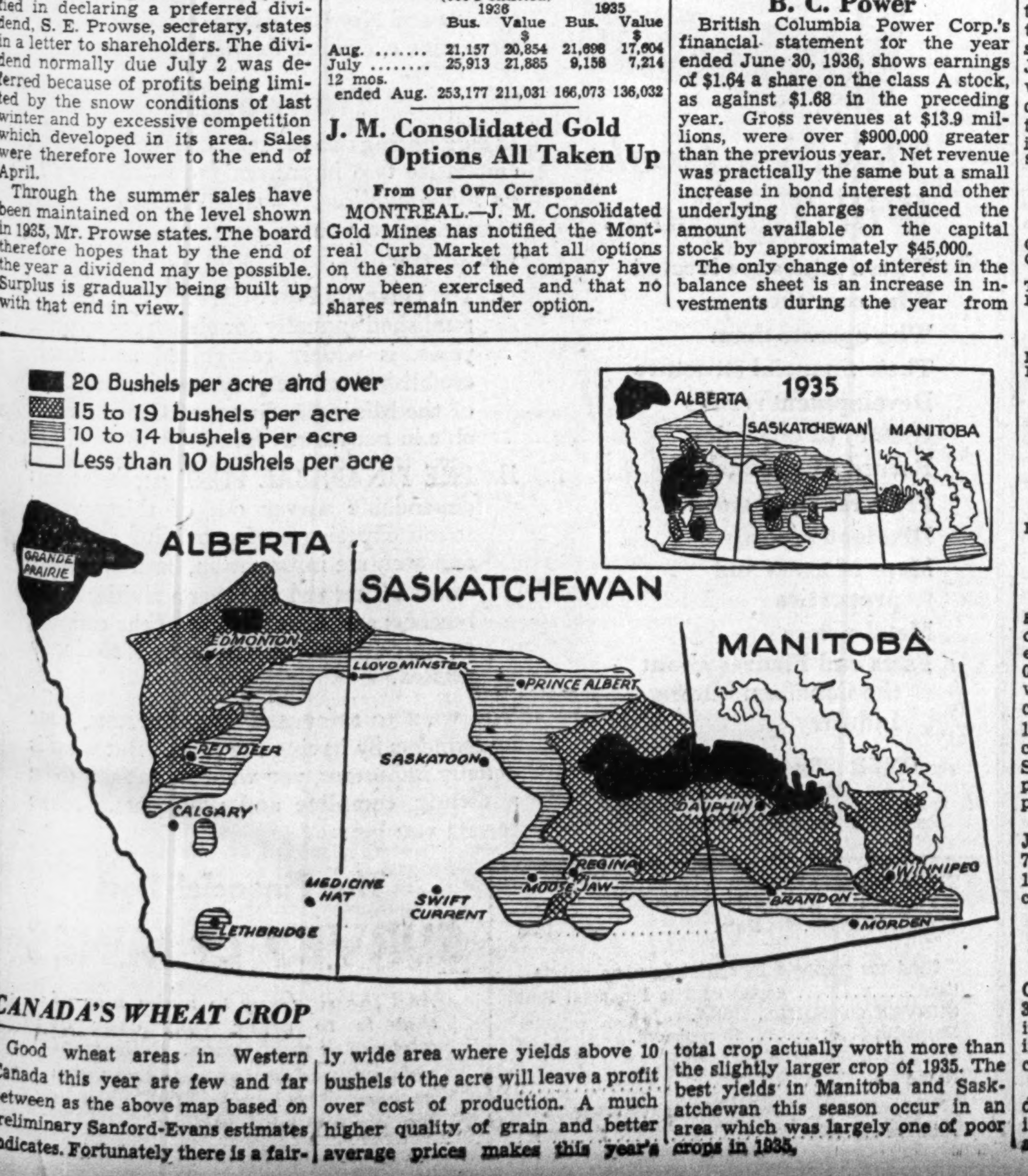
	High Week to Sept. 12	Low Week to Sept. 12
No. 1 North. (Vanc.)	1.18⅜	1.14⅜
No. 2 North. (Atlan.)	1.16¾	1.13⅝
No. 2 North. (Vanc.)	1.16¾	1.13¼
Jugoslavian	1.06⅛	1.02⅞
Australian	1.20¾	1.19⅛
Argentine Rosafe†	1.05¾	1.04⅛
Indian (choice Karachi)	1.20¾	1.17⅛

† January.

Winnipeg Grain Futures

Week to Sept. 15, 1936

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Sept. 9	High for week	Low for week	Close Sept. 15
		Wheat				
1.08⅜	.94⅝	Oct.	1.00⅝	1.04¾	.98⅞	1.04½
1.06⅜	.93½	Dec.	.98¾	1.03⅜	.97½	1.03¼
1.08½	.95½	May	1.00⅝	1.05½	.99½	1.05¼
		Oats				
.49¾	.41⅛	Oct.	.44⅛	.45⅞	.43⅛	.44⅞
.48¼	.41¼	Dec.	.42¾	.44⅛	.41¾	.44⅛
.48¾	.42¼	May	.43¾	.45¾	.42⅝	.45
		Barley				
.66¼	.51⅛	Oct.	.54⅝	.58⅝	.53	.58⅛
.61⅛	.50¾	Dec.	.53½	.56½	.52⅛	.56⅜
.61¼	.50⅞	May	.54⅝	.57	.53⅛	.56⅞
		Flax				
1.90½	1.65	Oct.	1.71	1.73⅜	1.65	1.68¼
1.88	1.63	Dec.	1.70	1.71¾	1.65	1.65
1.74	1.65¾	May	....	1.73	1.65¾	1.67¼
		Rye				
.71⅜	.62	Oct.	.67⅞	.69⅞	.66¾	.68⅞
.70	.61¾	Dec.	.68⅜	.69⅝	.65⅛	.68½
.71⅜	.62⅝	May	.67⅛	.70⅛	.66	.69¼



CANADA'S WHEAT CROP

Good wheat areas in Western Canada this year are few and far between as the above map based on preliminary Sanford-Evans estimates indicates. Fortunately there is a fairly wide area where yields above 10 bushels to the acre will leave a profit over cost of production. A much higher quality of grain and better average prices makes this year's total crop actually worth more than the slightly larger crop of 1935. The best yields in Manitoba and Saskatchewan this season occur in an area which was largely one of poor crops in 1935.

Kansas Farmers Holding For Higher Wheat Price

Having sold sufficient wheat to liquidate immediate indebtedness, many Kansas farmers are said to be holding the bulk of their crops in the belief that prices will go higher. Market level for the new crop so far in United States has been around $1 per bushel but holders are aiming at least 25 cents above this price.

While ordinarily 75% of the crop is marketed before September 1, this year officials estimate that not more than 60% has been sold. Moreover in the face of an early harvest such holding is considered most unusual.

A. E. McMaster Resigns

VANCOUVER.—A. E. McMaster, vice-president and general manager of Powell River Company Limited of Vancouver, B.C., has announced his resignation after a service of 15 years.

He has not yet made any definite plans, proposing an extended holiday first.

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The Week in Mining

Mining News vs. Europe Rival Market Factors

Base Metals Favored For Long Pull But Golds Still Popular For Quick Profits

Despite evidences of the usual autumnal swing to industrials, mining stocks have continued strong. The basic strength appears to be with the base metals, although individual junior stocks, such as Moneta Porcupine and Temiskaming Mining Co., have for brief but intensive periods held the spotlight.

The strength of the base metals appears to be based on 2 factors: war headlines from Europe, and the general impression abroad that copper prices are in for a sharp move.

As regards the former factor, visitors from Europe have frequently remarked that most of the European fighting seems to be done in United States and Canadian newspapers. In other words, the war scare appears to be having greater effect on this side of the water than in Europe. In any event, the war talk seems to have a bearish effect on golds. This bearish effect would undoubtedly be more marked were it not for the continuing high calibre of the mining field news. Against those who are inclined to be wary of gold stocks because of the war possibility, are those whose eye is mainly on the news from the properties.

As for the strength in base metals, The Financial Post has on previous occasions mentioned the feeling in United Kingdom that 10 cent copper was a distinct possibility this fall.

Briefly, the street appears to feel that base metals are the best for the long pull, although individual gold stocks can still be counted on for the quick profit.

Temiskaming

STOCK of Temiskaming Mining Co. has for many years been what is known as "a sleeper." The company was formerly one of Ontario's important silver producers but depletion forced suspension of its Cobalt property in 1920.

However, Temiskaming has properties in Tisdale twp. in the Porcupine area adjoining Dome on the north. In 1935 and 1936, Dome purchased some adjoining properties, the Foley O'Brien and the Schumacher property, to protect extensions of the mine's ore bodies at depth. These 2 acquisitions virtually surround the almost forgotten property of Temiskaming.

The recent move in Temiskaming stock was apparently due to a report, unconfirmed at press time, that negotiations were under way for the acquisition by Dome of the Temiskaming property.

* * *

Lake Shore's Report

EARNINGS of Lake Shore Mines for the 1936 fiscal year were fairly widely forecast, and highlight of the recent annual report, from a news angle, appears to be the statement that in the past 18 years this company has spent nearly $21 millions for supplies and equipment. In addition to this another $20 millions has been paid employees as wages.

Lake Shore Mines is one of the first big companies to adopt the policy of including in its annual statement details of expenditures for supplies, equipment and labor. It is an innovation which should be commended, and a policy which should be adopted by other large Canadian mines.

It is an unfortunate fact that even yet, many Canadians have not grasped the extent to which the mining industry has aided Canadian purchasing power. The publication of information such as contained in Lake Shore's report will do much toward driving this fact home.

Details of the report will be found in another column.

* * *

Mining and C.N.R.

THE newly appointed board of directors for the Canadian National Railway is being viewed with some satisfaction by mining men, and with good cause. Of the 7 new directors, 2 are men whose life work is mining, thus giving the industry strong voice in the affairs of the railroad.

Railroading and mining in Canada have always gone together. The T. & N. O. was responsible for opening up the rich Cobalt silver area. The construction of the Canadian Pacific is credited with the discovery of the fabulous nickel-copper district at Sudbury. The gold mines of British Columbia were largely responsible for the construction of the transcontinental lines. The Flin Flon operation was at least partly responsible for the Hudson Bay route. Not only that, but today, the products of the mines, the equipment and supplies shipped in by them, are a tremendous source of revenue for the railways.

History has shown that the 2 industries are closely allied, and the appointment of J. Y. Murdoch and Donald H. McDougall to the board appears to be a recognition of this fact.

* * *

Index to Mining Stocks

THE mining market milled about uncertainly during the past week, unable to make much headway but yielding little ground. As a result the general index for 23 mining stocks remained stationary at 157.0 for the week ending September 10. This index was 119.3 for the week ending September 12, 1935.

Several specialties in the gold group broke through to higher ground but losses among the senior issues held the index down. A fractional increase from 132.0 for the week ending September 3 to 132.1 for the week ending September 10 was recorded. This index was 110.5 for the same period last year.

Hudson Bay was responsible for the base metal index showing a decline from 260.9 for the week of September 3 to 260.5 for the week of September 10. The comparative index last year was 156.6.

Darwin Gold Mines—Drifting is continuing on the recently opened eighth level of the Grace vein, with the face now in 151 feet. The vein at this point has widened 1.5 to 2 feet with the quartz showing fair mineralization. The vein on the seventh level is reported 1 to 2 feet wide with good mineralization, showing free gold in one face.

Lake Shore Net $4.88 a Share Cash Increased

Working Capital at Producer Up Over $1.6 Million

PRODUCTION COSTS UP

Earnings of Lake Shore Mines, which operates the largest gold producer on this continent at Kirkland Lake, increased materially in the fiscal year ended June 30, 1936. Earnings per share in this period amounted to $4.88, as against per share earnings of $4.12 in the 1935 fiscal period. Last year's profit did not, however, come up to the record year of 1934, when $5.07 was earned.

As at June 30, however, Lake Shore's working capital, amounting to $11,499,703, was the highest in the company's history, and reflects a big improvement over the working capital of $9,858,184 shown last year.

One of the principal factors in increased earnings was the removal of the special gold bullion tax. In the costs, however, marketing and taxes totalled $2.18 as compared with $1.31 in 1935, exclusive of the bullion tax.

No Estimate of Reserves

No estimate is given this year of tonnage reserves, and it is stated that exploration for new ore was confined to the further opening of No. 1 vein to a depth of 3,200 ft. This No. 1 vein continues to yield average results under intensive development of intermediate levels, and this vein provided 47.11% of the total tonnage trammed.

On the new No. 5 shaft, crosscut connections with mine workings were completed to the 2,450-ft. level, by the end of the fiscal year.

During the present year, development of levels down to the 3,825-ft. horizon will be resumed in both the No. 2 and No. 1 veins.

During the past fiscal year, the number of tons milled amounted to 873,101, from which a gross bullion production of $16,361,530 was obtained. This amounts to a gross recovery per ton of $18.73, as compared with a per ton gross in 1935 of $19.24.

Production costs for the year again increased, owing to increased taxes, and slightly higher development costs. Mining, milling and allowance for depreciation show decreases. The following table shows comparative costs per ton of ore milled for the past 3 years:

Production Costs per Ton

	1936	1935	1934
Development	$0.45	$0.39	$0.55
Mining	3.40	3.51	2.96
Milling	1.19	1.26	1.21
Mktg. & taxes*	2.18	1.31	1.16
Gen. & admin.	.31	.24	.27
Operating cost	7.53	6.71	6.17
Depreciation	.29	1.05	.97
Total cost	$7.82	$7.76	$7.14

*Exclusive of bullion tax in 1935 and 1934.

A new section of the report details the amount spent by Lake Shore Mines for supplies and equipment between 1918 and 1936, and shows that in this period, over $20.8 millions was spent by this one mine. This is exclusive of wages and salaries, which would amount to approximately $20 millions. The payroll for the fiscal year ended June 30, 1936, amounted to $2.5 millions. Of the $2.3 millions spent for supplies in the 1936 fiscal year, 92% was for materials manufactured by Canadian firms.

Income & Surplus Acct. Years Ended June 30

	1936 $	1935 $
Bullion production	16,361,530	16,026,109
Less: Spec. bullion tax	......	1,447,173
	16,361,530	14,578,936
Less: Devel., min., mill., and gen. exp.	4,810,516	4,483,326
Adminis. exp.	97,056	97,721
Oper. earnings	11,453,958	9,997,889
Add: Int. earned	169,746	157,578
Net earnings	11,623,704	10,155,467
Less: Prov. for curr. taxes	1,606,814	1,040,025
Depreciation	257,289	877,551
Net profit	9,759,601	8,237,891
Less: Divd. & bonuses	8,000,000	8,000,000
Surplus for year	1,759,601	237,891
Add: Prev. surplus	8,712,422	8,499,391
Prof. on sale of bds.	5,851	......
Less: Addit. inc. tax	84,200	24,860
Surplus forward	10,393,674	8,712,422
Earnings per Share and Divd. Record:		
Earned	$4.88	$4.12
Paid	2.00+2.00	2.00+2.00
Shares outstanding	2,000,000	2,000,000

Recommends Mill For Capps Gold

Reporting on the North Carolina property of Capps Gold Mines, Hugh Jardine, mine manager recommends construction of a 100-ton mill. He states the company is sure of a "very considerable tonnage of good grade" in addition to "a large tonnage of surface material." While no underground ore estimates are contained in the report, Mr. Jardine estimates that in the old dumps on surface there are probably 50,000 tons of material which would assay $5 to $6 per ton.

Total disbursement at the mine to July 31, 1936, was $53,017.

At the Mines

Aldermac Copper — Enlargement of the shaft is proceeding and the 750-foot station is now dewatered. slashing of the shaft to 3-compartment size from the 500-foot level is making good progress and when this has been completed down to the 1,125-foot level it is planned to sink another shaft 500 feet further.

* * *

Big Master Consolidated—Drilling on the new ore shoot is showing ore at depth. The first hole cut the vein with 2 feet of quartz at the intersection. The second hole showed 6 feet 5 inches in porphyry and smaller sections of greenstone with quartz, and on the No. 3 level 2 feet, 6 inches of quartz containing visible gold. Underground work on the third level has shown somewhat better results recently.

* * *

Big Missouri—Buena Vista Mining Co. is to proceed with construction of a mill at Big Missouri, according to an announcement of W. M. Archibald, president of the former company. The mill may be either 500 or 750 tons, western reports state.

* * *

Cadillac Consolidated Gold Mines Syndicate — Recently formed by Montreal interests to acquire claims in Cadillac Township, will explore and develop a gold discovery made on the property this summer. The claims adjoin those of Pan-Canadian Gold Mines, near the southeast corner of Cadillac Township, several miles east of the O'Brien.

* * *

Craig Gold Mines Ltd.—Has completed reorganization and is operating again after a shut-down since last autumn. Work is being carried on by 18 men with operations centred on the 225-foot level. Drifting is proceeding on both faces of the drift with over 400 feet of footage to date. Channel samples on the 50-foot horizon where drifting has been completed between the 2 shafts, gave an average of $16.33 over 300 vein feet.

* * *

Casummit-Birch Lake Syndicate—Has been formed by Northern Canada Mining Corp. and Brett-Trethewey Mines Ltd. to acquire and prospect 30 claims adjoining Argosy to the south and extending from Casummit Lake to Birch Lake, in the Patricia district. Funds for development are being provided jointly by the 2 companies, through majority control of the syndicate's 1,000 units.

* * *

Delwood Porcupine—Sludge from a 5-foot section in No. 2 drill hole gave $21.70 per ton. It is planned to re-drill this section to check average values. The property is about a mile south of Paymaster.

* * *

New Gold Rose—Cement foundations for the new mill are being installed. The property is controlled by Consolidated Smelters.

* * *

Pandora-Cadillac Mines—Has appointed John M. Forbes as consulting engineer, and in charge of development at the property.

* * *

Paymaster Consolidated — August production, at an estimated value of $88,053, set a new peak record. Output compares with $77,773 in July and $81,535 for the previous peak month of June.

* * *

Sladen Malartic — Andrew Walz, consulting engineer for the company, reports that underground development to date shows the ore body may be expected to have a length of at least 300 feet with the east end still open, a width of 40 feet and a grade of at least $8.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—Operations at Scotch Creek are to be expanded in the next 2 months by the building of a flume to obtain a high-pressure water supply from an 80-ft. fall about ¾ of a mile from the upper workings. Scotch Creek Placer Mines, near Salmon Arm, B.C. is entirely financed by Winnipeg capital. Work on the property commenced in July, 1935 and it is now in production in a small way but has been handicapped by lack of water to overcome which the present work is being undertaken.

* * *

Northfield Option

Northfield Mining Co. has optioned the holdings of Great Falls Mining and Smelting Co. in the Bird River district of Manitoba. A diamond drilling exploration campaign will be commenced immediately. Some years ago the property was explored and a strong copper sulphide body shown to be in existence.

* * *

Flin Flon Gold Working

A full crew is once more at work at the mine at Douglas Lake near Flin Flon of the Flin Flon Gold Mines, successor company to the Flin Flon Gold Mining Syndicate Ltd. During the summer most of the crew were laid off as the underground programme had been completed for the time being and only a surface crew and diamond drillers were working. However, funds are now available for expanding operations, the first payment having been made by eastern financial interests.

* * *

Shaft for Gold Hill

Work is to start on the Gold Hill group of claims at Cranberry Portage now under option to Jowsey interests. A shaft is to be put down following a satisfactory test of several carloads of ore put through the Hudson Bay Mining and Smelting Co.'s plant at Flin Flon.

Luxor Red Lake Buys Property of McNeely

To acquire the property of the McNeely Red Lake Holdings Limited, on the west side of Slate Bay and northwest of MacKenzie Red Lake in the Red Lake area, a company has been formed under the name of Luxor Red Lake Mines Ltd. with a capital of 3 million shares. All preliminary financing has been completed privately. It is understood a crew will start work immediately on these properties which are the last of the original group of McNeely Red Lake Holdings Ltd. The properties comprise 8 patented and 6 unpatented claims.

Murdoch To C.N.R.

Knack of Finding Primary Objective His Biggest Asset

JAMES Y. MURDOCH

When a man requires as much as 118 hearty strokes to cover the average golf course and yet is an active member of 4 golf clubs, it is fairly obvious that he plays the game for exercise and relaxation. "He does not," his friends say, "take the game seriously."

Yet James Y. Murdoch, who is president of Noranda Mines, and newly-appointed director of the Canadian National Railways, and who sometimes takes 118 strokes per course, and who belongs to at least 4 golf clubs, probably does take golf seriously. He believes the object of golf is relaxation and exercise, and therefore it does not matter a tittle to him that his partner sneaks around in 80. He extracts from this game its main purpose, and therefore is a serious golfer.

Why so much stress on golf, when the important thing is that Mr. Murdoch has just been named one of 7 men who will grapple with Canada's major problem, the Canadian National? Well, Mr. Murdoch's attitude to golf may have a distinct bearing on his new work, inasmuch as it reveals a dominant characteristic.

Mr. Murdoch does whatever he does seriously.

By this is meant that he has an unusual faculty for seeing through such irrelevant things as the number of strokes, and extracts from anything he tackles that which he believes to be its fundamental objective.

Linked With Noranda

Take the story of Noranda Mines, for instance. When, in 1920, some claims were staked in the Rouyn district of Quebec, young Jim Murdoch was a junior in the legal firm of Holden and Grover. In the course of routine, it fell to the young lawyer's lot to handle the incorporation of Noranda Mines, to develop the property. It may have been routine, being any one of a number of mining companies formed at that time but Murdoch took it seriously. Mines, he probably argued, were supposed to produce minerals. With this as his objective, Mr. Murdoch worked so seriously to attain it that he now heads the company, which is now Canada's largest copper producer, and third largest gold producer.

In attaining this goal, one thing is apparent, and that is that Mr. Murdoch does not suffer from any delusions of grandeur, and recognizes the limitations of mortal man. Thus, early in the history of Noranda we find the president surrounding himself with the best technical advice that can be had. He makes full use of his board of directors and believes the president of a large corporation is an executive and nothing more.

A familiar story which illustrates this characteristic has to do with the historic 1931 meeting of the United States copper producer. Although invited to attend, Mr. Murdoch remained away. Asked why, he is reported to have said, "If I went to New York, those birds would have me cornered in 5 minutes, and stampeded into saying something I never intended. They have forgotten more about the copper industry than I ever knew. It is much better that I sit here in Toronto and talk with them over the long distance telephone, and think out my answers between times."

Bar No Hindrance

But Noranda's head did not remain idle. Long before Canadian production was barred from United States by the tariff, Mr. Murdoch had visited England, and made contracts in the London market which have stood Noranda in good stead.

The same foresight was apparent in connection with the launching of Noranda's refinery at Montreal East, shortly before the United States tariff on copper went into effect.

Mr Murdoch is today only 46. He is young enough to appreciate the thrill of speed boating, and owns several slim craft. He is also fond of horses, but keeps them chiefly for the use of his 2 sons and daughter. In addition to golf and speed boating, his third hobby is Noranda Mines Ltd.

In reviewing Mr. Murdoch's qualifications for his new post, probably the most outstanding is that faculty, referred to above, of ascertaining the real purpose of a thing and bending his efforts to extract that purpose. If this policy had been consistently applied to Canadas railroads, it is not likely that the era of costly and extravagant competition would have developed.

Ten Active Properties In Pickle Lake District

Additional Power From Rat Rapids is Eagerly Awaited

From Our Own Correspondent

HUDSON. — Although no exceptional progress has been made this summer in the Pickle Lake area of Patricia district, this sector is going steadily forward to become one of the leading gold camps of the Dominion. At the present time there are 2 important producers; one property shaft-sinking; 4 the object of exploration through diamond drills, while surface work is being carried out at 3 other groups preparatory to shaft-sinking. Sinking at the No. 2 Central Patricia mine is to be continued when the new power from Rat Rapids is turned on in a few weeks.

The 2 Pickle Lake producers, Central Patricia and Pickle Crow, give the area a 100% "batting average" in that they are both in the dividend class. Pickle Crow Gold Mines is currently shipping bullion at the rate of well in excess of $130,000 monthly which figures out to about $1.6 million a year.

Mill Will be Increased

The mill tonnage is to be stepped up to 400 tons during the coming winter and, allowing for a consequent drop in grade with the higher tonnage, Pickle Crow can still be expected to go up to in the neighborhood of $3 millions per 12 months. The company is now on a regular dividend basis, having paid its first March 31, second June 30 and declared its third for payment Sept. 30. All payments have been for 5 cents, or total disbursements of $450,000 to Sept. 30.

Central Patricia Gold Mines is the pioneer producer in Pickle Lake, the mill having started in May 1934. Tonnage was stepped up to 100 tons in April 1935, while a further increase to 150 tons was made in March of the current year. Present rate of production is over $1.2 million per year. The first dividend was paid July 2 while a second of 4 cents has been announced for Oct. 2. Total disbursements of $200,000 are represented.

Albany Down Over 200 ft.

Albany River Mines is sinking a shaft to 500 feet and was down 200 ft. at the end of August. It is expected to cut the second 250-ft. level Sept. 15. A station has already been established at 125 ft. The company has not yet decided whether to carry on to the 500-ft. level or stop at 250 ft. and to lateral development on the 2 levels, but this will be known when the second horizon is reached.

The company, in preparation for a busy winter, has contracted for the securing of 300 h.p. from Rat Rapids as soon as power from the second unit is turned on. Equipment for the change-over has been purchased and is on its way to the property. Albany River may take 600 horsepower in the spring or summer.

Completion of installation of the second unit at Rat Rapids will also be of great importance to Central Patricia which has been delayed in developing its No. 2 Springer mine by the lack of power. The Springer had a shaft put down 150 ft. and a level cut at 125 ft. but shut down early in the year owing to the shortage. In drifting on the first level the vein was sampled for 100 ft. across 20 inches to give average value of $98. Plans call for the shaft to be extended to 500 ft. and levels to be cut at 125 ft. intervals.

4 "Geological Bets"

Four companies are carrying out diamond drill programmes on properties which are described as "geological bets." These are Gateway Patricia, Kaw Crow Patricia, Winoga Patricia and Coniagas Mines. The first 3 are under H. R. Bain sponsorship. Gateway adjoins Central Pat on the west, Winoga and Kaw Crow adjoin Pickle Crow on the east.

Coniagas' Holdings

Coniagas Mines owns a group of claims 6 miles northeast of Pickle Crow that was staked during the summer. An iron dyke with formation similar to Pickle Crow has been located in a large swamp but no values have yet been secured. Diamond drilling started about 2 weeks ago.

South Central Patricia Gold Mines, Roeanor Gold Mines and Crow River Mines are working on definite showings that are located on their holdings. South Central has optioned the Campbell claims which tie on to Central Pat on the south and surface work is proceeding to prepare veins for diamond drilling. George Gray, M.E., is in charge.

Roeanor Gold Mines, holding the former Jefferies-Swartzman claims which adjoin Kaw Crow and Central Pat on the south, are doing surface work in preparation for drilling. J. N. Robinson, M.E., states that geological conditions are similar to the No. 2 Central Patricia.

Crow River Mines is doing surface work under the direction of J. D. Walker preparatory to drilling. This company was organized in 1928 and, after being inactive for several years, has again been revived.

McMillan Mill To Start Again

From Our Own Correspondent

SUDBURY.—Arrangements are now being made by directors of McMillan Gold Mines to resume mining and milling operations at the company's West River property, in accordance with the recommendations of H. C. Hitchcock, consulting engineer, who has estimated that a fair tonnage of commercial ore still exists in the various levels, with the chance of disclosing additional ore bodies as development work proceeds.

The management will concentrate its efforts on reducing mining and milling costs, and anticipate with this accomplished the mine can be operated at a profit for some time.

The mill, of 125 tons daily capacity, has been closed since last December.

Minto Gold—Is currently milling around 130 tons daily against an average of around 111 tons in July. The outlook for the property in B.C. depends largely on development of sufficient tonnage of 0.3 ounce grade or higher, in the opinion of D. N. Matheson, engineer in charge of operations.

Sladen-Malartic Mines Sells Block of 30,000 Shs.

From Our Own Correspondent

MONTREAL. — Sladen Malartic Mines has advised the Montreal Curb Market that 30,000 additional shares have been taken up under the option agreement. This leaves 591,000 shares under option and 1,686,016 shares outstanding in the hands of the public, not including escrowed stock.

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Edison Interests Visit Sudbury Nickel Group

From Our Own Correspondent

SUDBURY.—An echo of the exploration by the late Thomas Edison of nickel properties in the Sudbury district was heard a few days ago in the visit of E. D. Martin, vice-president in charge of the engineering department of Thomas A. Edison Inc., West Orange, N.J. to this area. While the official declined to make any comment it is understood he was here to examine the properties still held by the Edison Company, consisting of over 20 claims of nickel lands in Blezard township, which were acquired by Mr. Edison and party in 1901.

At that time Mr. Edison drilled within 100 ft. of the present No. 1 shaft of Falconbridge Nickel Mines, but abandoned the work when tests failed to reveal ore. Had these operations been continued a few feet farther, it is stated, they would have disclosed the nickel-copper ore that is now being mined by Falconbridge.

The increasing use of nickel by the Thomas A. Edison battery division has given rise to the rumor the company may have intentions of developing the patented claims it still holds in Blezard township.

Deane-Cadillac Stock Offered at 25c a Share

From Our Own Correspondent

MONTREAL.—Flood, Potter and Co., and Société de Placements, of Montreal, are making a public offering of 300,000 shares of Deane-Cadillac Mining Corp. at 25 cents a share. This block, which has been underwritten, forms part of the 1.5 million issued shares, all of which have been pooled.

The Deane-Cadillac property comprises about 7 mining claims in Cadillac township, located 33 miles from Amos, P.Q. It is well served by rail, water and highways, while the power line of Canada Northern Power crosses the property.

According to the engineer's report Deane-Cadillac property has favorable geological and structural features. A detailed geological and megnetometer survey is now in progress. It is proposed to undertake immediately a diamond drilling programme, funds for which have been deposited in the treasury of the company.

Bousquet Output $16,000 in August

From Our Own Correspondent

SUDBURY.—August production of Bousquet Gold Mines in the West River section was valued at $16,000, the fourth brick having been poured recently containing about 302 ounces. The total output since commencement of milling operations in May is valued at $30,000, and it is estimated that production for September will reach $20,000.

The work of dewatering the 450-foot level is now completed, and development of this horizon will be undertaken, including a diamond drilling campaign to test the ore chances at greater depth.

Winoga Encounters Interesting 14 Feet

Drilling at Winoga Gold Mines, in the Pickle Lake section of Ontario, has encountered an interesting 14 ft. of vein material, The Financial Post learns from official sources. This drilling is being done on the northerly claims of this company. From 143.3 ft. to 157.5 ft., drill cores show assays varying from $1 to $14.35.

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CANADA NEWFOUNDLAND 1936-7
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Calmont Oils Cuts Deficit; Boosts Assets

Annual Report Shows Striking Improvement Over 1935

LOSS NOW $20,556

Affairs of Calmont Oils improved considerably during the past year, although a loss for the year is still shown, annual report of the company reveals. In the fiscal year ended May 31, 1936, a loss of only $20,566 is shown, as compared with a loss of $55,666 in 1935, and of $85,774 in 1934.

The balance sheet also reflects a noteworthy improvement. Current assets totalled, as at May 31, 1936, $22,179, against current liabilities of $11,668, leaving working capital of $10,511. At the end of the 1935 fiscal period, working capital amounted to $4,139. Not shown as a current asset are Alberta Government bonds and savings certificates valued at $18,500, and other investments at $43,198.

Since the books were closed on May 31, 1936, giving total market value of the companies investments at $80,035, the market value as at Sept. 2, had increased to $178,000, The Financial Post is reliably informed. The main reason for this increase, The Post understands is that the company has been offered $75,000 cash for its royalty interest in the Turner Valley Royalties, Turner Valley's new crude producer.

Following is a comparative income and surplus statement for the 2 fiscal years ended May 31, 1935, and May 31, 1936:

Profit and Loss Account
Years Ended May 31

	1936	1935
	$	$
Income from invests.	2,294	3,180
Tool rental	7,629	6,791
Inc. from royalties	11,394	6,126
House rent	765	535
Miscellaneous	91	49
Oper. revenue	22,173	16,681
Less:		
Field expenses:		
Field hqtrs., wages	1,489	1,339
Deprec. on camp & other equip.	2,812	5,777
Other field exps.	4,532	1,276
Adm'n. & gen. exps.:		
Legal expenses	849	1,041
Office salaries	4,770	5,685
Taxes	1,996	1,701
Prov. for bad debts	108	2,710
Other exps.	2,474	3,083
Other charges:		
Loss on sale of equip.	......	4,086
Invent. exp., repairs & replace.	891	1,351
Deprec. on drill. equip., etc.	21,751	44,003
W/o roads & trenches	528	1,057
Invest. w/o	963	......
Add: Gain on sterling exch.	......	762
Profit on sale of equip.	425	......
Deficit for year	20,565	55,666
Add: Prev. deficit	1,231,324	1,195,124
Less: Adj. re salaries & reserve w/o	23,137	19,466
Deficit forward	1,208,187	1,231,324

Thompson Cadillac Recovery $21,036

Contract For Arsenical Concentrates; Work on 3 Faces

From Our Own Correspondent

MONTREAL.—Thompson-Cadillac Mining Corp. reports gold products in August of $21,036 from 2,240 tons of ore treated. Of this amount $11,964 was bullion shipped to the mint and the balance of $9,072 was in flotation concentrates sent to the stock pile. The grade of ore sent to the mill averaged $9.91 from which an extraction of 94½% was recovered by amalgamation and flotation. The mill averaged 72.22 tons a day.

Issue Progress Report

A progress report from Andrew Walz, vice-president and consultant, states:

"The company is now in a position to contract for the output of arsenical concentrates to a British smelter at a rate slightly in excess of the estimated cost of handling this material on the ground. Substantial concessions have been made by the ore buyers. The company will have to contract for its output over a long period to make the present offer possible.

"Three development faces are being carried in the mine and some of these have supplied development ore for the mill. Continued advance is being made in the west section of the mine from the 600-ft. or bottom level, and this heading still has about 130 ft. to reach its objectives, where it is hoped the downward extension of the enrichment on the 150-ft. level will be found. Preparations are also being made to explore the extreme west section of the property from an existing ore face on the 150-ft. level."

Darkwater Shaft Will go to 300 ft.

Sinking by Hand Steel Pending Arrival of Plant

Plans for development of Darkwater Mines' property on Beidelman Bay in the Sturgeon Lake section of Kenora, include immediate shaft sinking to an initial objective of 300 feet. The shaft is to be a 3-compartment structure and on completion it will be followed by lateral work on the 125- and 250-foot levels.

Sinking under power awaits the arrival of equipment at the property and it is not likely that work will start before the latter part of this month. Meanwhile, a shaft is being sunk by hand-steel.

The company's shares were recently listed on the Toronto Stock Exchange and called for trading this week. Capitalization consists of 1,500,000 $1 par shares authorized, of which 1,117,943 are issued. Current assets stand at $200,990 cash against $48,902 in current liabilities, according to the balance sheet submitted with the listing application to the stock exchange.

Matona Gold Mines—Operating in the Matachewan area, has encountered high grade ore at a depth of 115 feet in the shaft. High grade continued to 125 feet. Drifting will proceed 2 ways following completion of a station at the 125-foot level.

Contented Labor

System to Meet Labor Problems at Smelters' Trail Plant Attracts National Attention

An era in which commodity prices are climbing, followed with inevitable slowness by wages and salaries, is usually an era of labor friction.

At the present time, Canada appears to be entering such a period, and labor questions are, or soon will be, in the forefront of national problems. The interest which is being shown in the labor system as employed at the Trail smelter of Consolidated Mining & Smelting Co. in British Columbia is based on a growing consciousness of this fact.

Attention to this system was drawn in the Federal House during the last session by W. K. Esling, Conservative member for Kootenay West in an able address during the budget debate. So able was the address, in fact that a Liberal member, D. A. McNiven, K.C., member for Regina City, has gone to considerable trouble to see that details of this plan were laid before the Canadian public.

Behind the system utilized at Trail is the figure of one man, Dr. Selwyn Gwillyn Blaylock, vice-president, director, and general manager of the huge Consolidated Mining & Smelting Co.

"Big Business"

Details of Dr. Blaylock's work among his 5,000 Trail employees has never been mentioned, it is safe to say, by soap box orators railing against the "inhumanity of big business."

Consolidated Mining & Smelting Co. is big business. The Trail smelter alone paid 4½% of the total freight revenue of Canadian Pacific Railway in 1935. It is the largest metallurgical plant in the world.

The co-operative plan used at Trail is no recent innovation. Its major features have been given a practical test since 1920. Behind it all is the simple theory that co-operation between employer and employee is the ideal condition under any social system.

As outlined by Mr. Esling, this spirit is the keynote to the whole system. Tangible expression to this theory is provided by the company in the arrangement whereby every employee, after being with the company for 3 years, receives gratis, and fully paid, a share of stock in the company.

Many "New Canadians"

The significance of this policy extends far beyond the relationships confined to employer and employee. Many of the employees at Trail, as at every other large mining or industrial activity, are "New Canadians." Holding a share in a company such as Smelters instills the realization in the minds of these men that they have a definite stake in Canada, and thus makes their Canadian citizenship mean more than the right to vote, and pay taxes.

Another interesting feature of the Smelters plan is the apprenticeship system. Under this plan, sons of employees are welcomed into the plant and are given a choice of entering some specialized trade, carpentering, painting, foundry work, electrical work, or any of the other myriad trades which combine to make the Trail operation.

These young men work on the basis of 25% of a journeyman's wage. Every 6 months they are advanced until they receive the full pay of the master artisan. At that time, if the department for which they have fitted themselves has no opening for them, they are put to work as a laborer until there is an opening in their particular line, in which case they are given preference.

DR. SELWYN G. BLAYLOCK

What about the professional agitator? Trail, he has found, provides lean pickings for artificial labor trouble. The biggest enemy of the professional agitator has proven to be Dr. Blaylock's "grievance plan." Each of the 15 or 20 departments at Trail elects 2 delegates to a committee which meet with the management, partly in the company's time, twice a month. If anyone has a grievance, it is not stored up in his breast and released at some clandestine meeting, but is laid before his particular delegate, who in turn places it before the combined employee-employer meeting. The employee feels free to talk to one of his delegates, whereas, were his only recourse his employer, he might hesitate to unburden himself for fear his complaint might be used against him.

Not only the troubles of the employee, but the troubles of the employer are also aired at these bi-monthly meetings. For instance, when the depression came, it was obvious that some curtailment in employment was inevitable. The problem was put before the meeting, and the employees, who might easily have voted to continue on the 6-day week, voluntarily voted for a 5-day week, rather than see some of their confrères "laid off."

As the depression deepened, employees again took steps to meet it. As described by Mr. Esling the following happened:

"The management called the men together; they picked out the married men, and put them on three-quarter time, and put the single men on half time. Then, as things picked up, they brought the single men up to three-quarter time, and finally the men were called again. The management said, 'You boys can take your choice. Do you want to go back on a 6-day week, and thus deprive some people of jobs, or would you care to carry on the 5-day week?' Unanimously the men chose the 5-day week."

The Consolidated Mining & Smelting Co. in accordance with its plan of making its employees feel they have not only a stake in the industry, but one in the country, has loaned approximately $1 million to its employees, and constructed and repaired for them more than 1,000 houses. The interest rate on these loans is only 5%.

Unlike 90% of other large labor employers, wages at Consolidated Mining & Smelting will increase as the cost of living increases. The basic wage at this plant is fixed by the company, but is largely determined by the commodity price index as issued by the Federal Government. Thus if the cost of living goes up, the basic wage also increases, and vice versa. To this basic wage is added a bonus for efficiency, which is based upon the price of base metals.

In another important way does the company display its humanitarian side. In most plants, there are cases where the boss of a department and an employee do not see eye to eye, and friction ensues. Sometimes this is the fault of the boss, and sometimes of the employee. At Trail an employee gets 3 chances to "get along with the boss." If, for instance, he does not "get along" in the carpenter shop, he has the choice of being transferred into another department. This choice is offered to him 3 times, and if he still does not "get along" it is considered to be his own fault.

In addition to these benefits, employees have also pension provisions, benevolent associations, which give them assurance against age and sickness.

For 17 years this system has been in effect at Trail. In the opinion of many it is the most important step of its kind taken on this continent.

Mining Enquiries

O'Brien Gold Mines

What is going to happen to O'Brien Gold Mines stock? I hold some of this and feel inclined to take my profit.

O'Brien Gold Mines has, as you know, recently encountered very spectacular ore grades and is now planning an expansion programme which is expected to net the company a monthly profit of around $100,000 or even more than that next spring. O'Brien, indeed, is one of the highlights of the current mining season by reason of the remarkable discoveries made on the property but much of this situation has already been discounted in the market and the view is held in some quarters that the present price of the shares, while justified by events to date, places ample valuation on the property. On the other hand it is quite possible that with further developments, demand for the shares could be stimulated once more and cause an advance to still higher levels. We cannot, of course, forecast the market action of any mining security.

Matachewan Canadian Gold

I have some stock in Matachewan Canadian Gold. What is your view of this property? Is my stock worth anything today?

Matachewan Canadian Gold sold its properties in 1933 to Matachewan Consolidated Mines Ltd. for 1.2 million shares to be distributed at some later date on the basis of 5 new for 16 old. Matachewan Consolidated is in production and doing satisfactorily. Recently, the mill capacity was increased to something over 300 tons daily. The officials estimate this mill increase will treble the working profit. The first 6 months of 1936 show a profit of $31,278 before taxes, depreciation or deferred development. The outlook for this proposition would seem to lie in developing sufficient ore reserves so that operating costs would be spread over a larger tonnage and thereby reduce costs, as this is a fairly low-grade proposition.

Blanche River Kirkland

I have some stock, purchased a long time ago, in Blanche River Kirkland. I do not see this quoted anywhere, and would be obliged if you would give me some information regarding its merit.

Late in 1935, the property and other assets of Blanch River Kirkland Gold Mines was acquired by North American Lands and Minerals. This latter company also acquired the property and assets of Matabanick Kirkland and is carrying out development work on these 2 properties as one unit.

Shareholders of Blanche River Kirkland Gold will eventually receive one share in North American Lands and Minerals for each 4 shares of Blanche River Kirkland held. This stock, however, is held in escrow by the Ontario Securities Commission until development work reaches a further stage. In the meantime, however, you are entitled to an interim certificate and we would suggest you send your Blanche River Kirkland shares by registered letter to Guaranty Trust Company of Canada, 70 Richmond St. W., Toronto, transfer agents for North American Lands and Minerals.

The head office of North American Lands and Mineral is 100 Adelaide St. W., Toronto.

As for the properties, they have speculative value only and it seems to most mining observers that a considerable amount of work will be necessary at much greater depth before the merits of the property can be gauged.

Lebel Oro

I am very much interested in Lebel Oro, as an investment. I would like to get your opinion of the outlook for this proposition and some information on it.

Lebel Oro has 2 irons in the fire at the present time, one a property formerly owned by Long Lake Gold Mines near Sudbury and one in the Kirkland Lake district adjoining Bidgood. At the Sudbury property, recent developments have been encouraging and the company reports estimated ore is now around 40,000 tons of commercial grade. The company is understood to be giving some thought to mill construction this fall.

At the Kirkland Lake property, efforts have been made this summer to pick up the continuation of the Bidgood Kirkland high-grade ore with indifferent results. Briefly we would classify this proposition as still very much of a speculation although one in which some encouragement has been had.

Hard Rock Gold

Do you feel that the present market price of shares in Hard Rock is justified by developments at the property? The sane attitude you have taken during the current mining activity has been very much appreciated.

Recent developments at Hard Rock Gold's Little Long Lac property indicate the company is meeting with commercial ore grades and substantial tonnages in underground developments. The No. 2 shaft is being sunk in porphyry about 1,000 ft. east of the MacLeod-Cockshutt boundary and at last reports was down about 100 ft. with average values of $11.37 per ton. Shaft rock is described as ore of commercial value and of a type from which the company could earn a reasonably large profit. Sinking continues in ore at last reports. Plans of the company include establishment of a level at 125 ft. to be followed by crosscutting across the porphyry and further drifting in order to determine the full ore possibilities of the shaft area. At the present stage there is no information on which the shares can be valued accurately and they continue to represent prices established by speculative opinions in the open market rather than by intrinsic values determined by development to date.

C. I. M. M. to Hold Sessions At Edmonton, Vancouver

Two conventions of the Canadian Institute of Mining and Metallurgy will be held in the west and B. C. this fall. First will be a 3-day session at Edmonton, Sept. 30 and this will be followed on October 7 with a meeting of the British Columbia division of the C.I.M.M. in Vancouver.

Members and guests attending the Vancouver meeting will make a visit to the mine and plant of Britannia Mining and Smelting Co. on October 10.

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Overburden Goes Via Water Route

Empress Consolidated Gold Mines, operating with hydraulic equipment, is removing overburden in its property on Jackfish Bay.

Operations by hydraulic methods were suspended recently owing to the necessity of conserving water for forest fire fighting.

A massive mineralized zone is reported to have been uncovered by hydraulic removal of overburden and this is being examined by engineers.

Red Lake Trio Extends Work

May Spiers, Madsen and Frontier All Advance Workings

From Our Own Correspondent

HUDSON.—The shaft at May Spiers Gold Mines has been completed to 350 ft. where the second station is now being cut. This work has been completed since July 1. It is anticipated that no more than 100 ft. of crosscutting will be necessary to get into the main vein on this level. The company is now doing lateral development on both levels to prove up the showing on surface which was indicated by diamond drills to continue to good depth. This vein for 130 ft. is reported to average $35 per ton across 4½ ft.

• • •

Madsen Postpones Mill

Madsen Red Lake Gold Mines has shelved plans for a 100-ton mill temporarily as attention is shifted from the No. 1 mine where 70,000 tons of $14 ore have been proved, to the new surface showing which indicates possibilities of a medium or low-grade high-tonnage deposit. Ten shallow diamond drill holes have proved the vein to extend for 1,200 ft. and between 20 and 30 ft. wide. A depth diamond drill programme is to be commenced shortly.

• • •

Frontier Plans Shaft

Frontier Red Lake Gold Mines, being financed jointly by Bunker Hill Extension and Bagamac Rouyn, is preparing to sink a shaft for 250 ft. on its Pipestone Bay property as a result of the encouraging results from diamond drilling on its No. 1 vein. Along a length of 120 ft. and width of 3 ft. average values of $16 are reported. About $75,000 in cash is available.

East Malartic Works No. 2 Shaft

Progress Report Says Good Material All the Way From Surface

From Our Own Correspondent

MONTREAL.—Work on the No. 2 shaft of East Malartic Mine is being pressed with all possible speed, according to a progress report for the 2 weeks ended August 15 issued by J. P. Norrie. Concentration of work at this point has been due to the fact that the shaft has been in vein material of good width all the way from surface, leaving only one machine for work in the No. 1 shaft.

The report continues:

"A drift has been driven along the hanging-wall of a 30-ft. vein in the south crosscut on the 175-ft. level in highly silicified porphyry and quartz with much pyrite, telluride and visible gold. Until several hundred feet of drifting and crosscutting has been done it will be impossible to arrive at the average grade of ore in this vein as so little of it is exposed in the drifts. The average grade as exposed in 40 feet of drifting done to date is $6 per ton. The present faces are in material of much higher grade.

"In the north crosscut a raise has been put up on the contact 17 feet. The indicated width at this point is 15 feet of highly mineralized porphyry and quartz, average grade $8.05 per ton."

Bob Tough Reopens After Reorganizing

From Our Own Correspondent

SUDBURY.—The property of Bob Tough Gold Mines, in McKinnon twp., West River section, will shortly be reopened, it is announced, with the reorganization of the company, which is now to be known as Bob Tough Gold Mines (1936). Shareholders recently authorized the sale of the property to the new company, which is capitalized at 3 million shares of $1 par. The basis of exchange will be one new share for 3 old.

The property has been idle since last fall. A shaft has been sunk to 150 ft. and considerable lateral work accomplished on the vein system. When work was suspended last fall, Douglas A. Mutch, consulting engineer, made a report on the operations up to that time and commented favorably upon development. It is understood a new programme of development is now being organized.

Aldermac Copper Corp. Stock Listed in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has listed 3,604,681 shares of no par value of Aldermac Copper Corp. Authority also has been given to add 595,000 shares subscribed for but not paid for; 500,000 shares under option on official notice of issuance and 300,319 treasury shares upon official notice of issuance.

Big Missouri Mines Releases Optioned Stock

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has been advised by Big Missouri Mines Corp. that a block of 10,000 shares has been taken up under the option agreement. The total capital issued to date amounts to 3,621,867 shares, leaving 1,378,133 shares under option.

$10 Ore Values At Golden Gate

Drifting Indicates Improved Conditions — $7.70 for 30 Feet

First 48 feet of the drift on Golden Gate's 202 vein maintained an average value of about $10 over full drift width, it is reported by S. A. Pain, consulting engineer of the company operating in Kirkland Lake.

The 202 vein has been drifted approximately 100 feet with the face still in ore of satisfactory grade, and in addition to the $10 section, a further distance of about 30 feet averaged around $7.70 over drift width. Ore now being drifted is improving in appearance and grades are expected to be higher.

Drilling is at present restricted to the 200-foot level where another vein was recently intersected at a depth of 42 feet. Cores from this discovery assayed $33.95 over a 2-foot section, and a 5-foot section, near by, gave values about $7 to the ton. Tellurides were visible in the cores and the hole is being continued to intersect the 202 vein at 100 feet below the 200-foot workings.

Significance of current exploration lies in the fact that under former operations, gold values were sought in quartz veins in a fractured greenstone formation, while the gold bearing formation now under exploration, is striking easterly into a porphyry body. According to Mr. Pain it has become evident that the latter structure is more favorable to deposition of commercial ore.

Parkhill Gold Sets New Mark

August Recovery at $39,000 Largest for Any Month to Date

From Our Own Correspondent

MONTREAL. — Parkhill Gold Mines reports a gross recovery during August of $39,000. This is an all-time monthly high for the mine and compares with a previous record of $38,500 in June this year. In August last year recovery totalled $35,200.

During 11 months of the fiscal year ended August 31, gross recovery was $307,915 from milling of 19,700 tons of ore. Average recovery per ton was $15.53 with an average daily milling rate of 60 tons. In the corresponding 11 months of the previous year the mine showed a recovery of $287,126.

Progress at Mine

With respect to progress at the mine, reports issued by the company state:

"The ore encountered west of the shaft on the 11th level, which is the downward extension of 10-206 stope, is bearing up well under stoping conditions. This ore body may be expected to yield a good grade and tonnage.

"High grade has been encountered on the 12th level drift east. Development west of the shaft is progressing vigorously on both the 12th and 13th levels.

Marquette Drilling Long Lac Claims

Surface Finds Encouraging — Seek Vein Extensions

With the arrival of drilling equipment on the property of Marquette Long Lac Gold Mines Ltd., in the Little Long Lac area, a programme of diamond drilling will be undertaken to explore mineralization at depth.

Surface discoveries on the property, formerly developed by Lafayette Long Lac Gold Mines Ltd., are encouraging. Surface finds were followed by a geo-physical survey of the property and information provided by the survey was used as the basis for spotting diamond drill holes. Sudbury Diamond Drilling is under contract for the work.

Location of the property, adjacent to Little Long Lac Gold Mines holdings, is an important factor and officials of Marquette believe it is possible that extensions of the Little Long Lac vein system may be picked up on Marquette ground. The company is amply financed for the present exploratory campaign.

Coal Order from C. N. R. Means 5 Months Work

From Our Own Correspondent

SYDNEY, N.S.—At least 5 months work is assured mines owned by the Acadia Coal Co. in Pictou, N.S., by the announcement of a 40,000-ton coal order from the Canadian National Railways.

The order will be shipped by rail to Upper Canada. Present water shipments of Acadia coal are sufficient to last until the freeze-up closes navigation, Acadia officials state.

The combined orders will keep the Acadia mines in production until December and by that time local winter demand will be up. The order will mean additional employment for railway employees at Stellarton.

Buffalo Ontario Reports New Find

Buffalo Ontario Gold Mining Co. Inc. has made new finds on its property in Chester Twp., Ontario, The Financial Post is informed by an official. Four veins are reported to be paralleling one another, the main one of which has been uncovered at intervals for one mile, showing an average width of 2 ft.

Earlier this year, the company drilled one quarter of a mile east of this find to 80 ft. depth with satisfactory results. On surface, channel assays over an average width of 3 ft. were $4.20 to $17.45 per ton. At the present time, a crew of 10 men is working on the property. Consideration is being given to deep drilling; or possibly shaft sinking. Finances are being supplied by Buffalo interests.

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Gomak Mines Expects First Bullion Shortly

From Our Own Correspondent

SUDBURY.—Gomak Mines, operating in the Three Duck Lake area, and sponsored by Porcupine Crown Mines, is expected to produce its first bullion about Sept. 15, according to official statement.

The mill is now operating at a rate of between 40 and 50 tons daily, and millheads are running about $20, with tails $1.05, Russell D. Jones, general manager, states. The new 86-h.p. Diesel engine was recently installed in the mill and changes made increasing plant capacity from 35 tons.

Surface work is proceeding on the property, and a test pit located about 380 feet west of the shaft is reported to have disclosed coarse native gold on No. 1 vein. The site for the proposed new vertical shaft has been selected approximately 650 ft. west of the present headframe. Development of the 85-ft. level is being carried out to the west and recent shots have resulted in the taking out of considerable high-grade, it is stated.

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The Homeless Army

Problem of Thousands of Transients Marching Across Dominion from Job to Job Serious One Even Before Depression

Third of Wage-Earners But Casually Employed

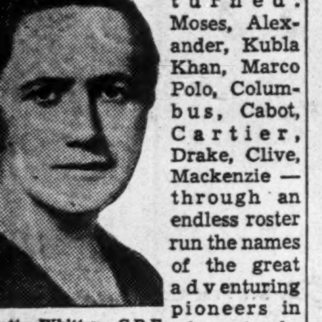
In every relief and social problem there stands the casual and unskilled worker—men who shift from one job or industry to another with the change in seasons—men who are often single, homeless transients moving restlessly from place to place particularly in times of economic depression.

It comes as something of a shock to read Miss Whitton's assertion that the last census showed Canada to have well over a million persons working (at that time) as unskilled or semi-skilled laborers or as odd-job farm hands on other than a wage basis. One third of our total wage-earning population, she says, were thus open to seasonal and cyclical unemployment and were already creating a major social problem before the hand of depression struck the Dominion 5 or 6 years ago.

Miss Whitton paints a vivid picture of who these people are—how they lived and existed prior to 1931. She shows how little this country was prepared to handle the problem even in those days and how completely overpowering it has become in the last few years. In a subsequent article she will point the way out and show what must be done to tackle this problem on sound and permanent lines.

The article is one of several being written for The Financial Post by Miss Whitton on the great national problems of relief and social dependency. These articles have caused widespread comment in all parts of the Dominion in view of the breadth of vision and acknowledged authority of the writer. In previous and in subsequent articles Miss Whitton makes clear, challenging comment on other phases of this problem together with important and constructive suggestions as to how these matters can be righted.

By CHARLOTTE M. WHITTON



Charlotte Whitton, C.B.E.

The wanderlust is part of the endowment of man. It has been one of the greatest motivations in civilization and on it the histories of tribes and nations have turned. Moses, Alexander, Kubla Khan, Marco Polo, Columbus, Cabot, Cartier, Drake, Clive, Mackenzie — through an endless roster run the names of the great adventuring pioneers in whose tracks have followed "a thousand wheels, an empire and a king."

In Canada there have been many conditions which would tend to feed this natural instinct especially in our younger men.

Moving Northward

In the first place, the country is vast and partly unexplored with some areas almost unknown. Perhaps mineral wealth or opportunity in lumbering may open overnight to the hardy and courageous. Every little hamlet and country corner in the east has its story of some young fellow who "lit out" for "the city," "the West" or "the States" and made good.

For decades, there has been this draw from the older centres and areas of population to the newer, and not only our young men and boys but whole families have yielded to its lure. The population of Canada has shifted west and north steadily since Confederation, until the centre of population today is just north of Sault Ste. Marie where it used to be near Valleyfield, Quebec.

City Dwellers Predominate

In the last 60 years it has also changed from one which was but 18% urban to one in which 50% are city dwellers and but 31.7% live on farms. In the post-war decade the tremendous development in the construction of road and power plants, and in the pulp and paper and, latterly, the mining industry, was bound to lead to concentration of huge volumes of male population not only from all over the country but from the United States and Europe as well.

These population movements in our national life had been natural social phenomena from the opening of the century, in fact in some degree from the beginning of transcontinental railway building nearly 2 decades previously.

Casual Labor Grows

One result was that a very large proportion of our able-bodied male population was drawn into the ranks of semi- or unskilled labor in these activities, along with those already so employed in farming, fishing, trapping and fur trading. By 1931 there were 425,000 male workers in Canada classified as unskilled laborers in other than the agricultural, mining or logging industries, while 478,000 more were listed as farm laborers, 197,000 on a wage basis, 47,000 as fishermen, hunters or trappers, and 37,500 as lumbermen.

In these latter groups, 52,000 were also on an earning basis. Male workers classified as miners and laborers exceeded 55,000 while mining and quarrying sustained a total of more than 68,000 male workers in all ranks and grades. Longshoremen numbered nearly 5,000, and truck drivers, teamsters and draymen practically 66,000.

Over a Million In Group

Thus some 820,000 of the male population were working in unskilled or semi-skilled labor ranks, exclusive of many of the 300,000 odd farm laborers gainfully employed on other than a wage basis and many thousands of whom would fit into this category.

This represents nearly one third of the total wage earning population of the country and in the best of times would be bound to contribute to a heavy volume of unemployment when the basic industries of farming, lumbering, fishing, and mining, are subject to the long seasonal suspensions imposed by our climate which also affects activity in many important secondary occupations such as construction, etc.

Agricultural Employment Shrinks

Various factors operated to conceal the significance of these conditions. The heavy harvesting demands of the West drew more than 100,000 harvesters to the grain fields for several weeks of employment which took up the slack for many unskilled laborers from all over the Dominion and enabled them to earn enough to tide over winter idleness until the seeding called them to the fields again. Mechanization on the farm has done much to end that—the tractor and combine displace on the average 14 men and at the rate they were being introduced in the West from 1924 to 1929, we could look to an annual displacement of 100,000 seasonal harvest workers for some years to come.

Homesteading had also made possible seasonal employment of hundreds of thousands of farm workers, who in their "off" months filed and worked their own land and at the end of 3 years moved on to it. The disappearance of easily accessible free land revealed the fact that much of our agriculture simply could not afford "hired help the year round," and the wandering, homeless farm laborer came to haunt city streets in his winter idleness.

Jungle Dwellers

Then, there is always in any land, particularly in a young land like Canada, the man in whom the tramp or gypsy strain answers to the call of sky and wood and "jungle," who follows the road as his regular occupation, living on savings garnered by the minimum of employment in the good season or by his wits and takings, shunning work and water, but driven by our unkind winter to a few weeks shelter in flophouse or city mission.

Winter Retreat of the Homeless

All these factors were at work to give Canada a serious social problem in the volume of her homeless transient men, long before the depression. They congregated largely in the great city centres, sailors and seamen in the great salt water and fresh water ports, served by the Sailors' Institutes and like social agencies; and others almost entirely in Vancouver, where the wanderer reached his western limit; in Halifax and Saint John where the sea stopped his eastern trek; in Winnipeg, the funnel for the prairie land; in Toronto, the focus of Old Ontario; in Montreal, the great catch basin for those floating down from mining, lumber and construction camps, the end of steel for a great port, the city with the open Meurling Refuge endowed by the wandering Frenchman who in his need had found no bed but the park of the metropolis, and in Ottawa, where hundreds drifted, driven by some vague impulse to seek security or file complaint at the seat of government.

Eddies in Other Cities

Regina, Saskatoon, Calgary, Edmonton and Hamilton, a few centres in the north country might have small eddies of the movement but these other centres were the gathering heads, and they were equipped with numerous "flophouses" where a man could get a bed at 10 cents the night and no charge for the extra bedfellows, or rooming houses where the quieter, more stable man, could stay the winter through, while many cheap restaurants catered to the trade.

There were also missions, shelters and hostels making a nominal charge for those who could pay, giving free service to all others. With the spring most of these men thronged to the fields, forests or roads again but each year more of the old or broken stayed in the cities or came back for longer periods, until the old age pension or the old man's home was in reach.

They were of all ages and types and nationalities, wandering unattached men, homeless, womanless, and many of them, fortunately for Canada, asking of life no more than what the open trail or the camp or odd job would give. We had no plan for them, no way of handling them other than by this haphazard seasonal sheltering, and the "handout" of the warm-hearted citizen or "easy" housewife, as they trekked and panhandled from place to place. If they died, there was the mission, or the indigent burial provisions of most municipalities; if they were sick, the infirmary, or the indigent ward of the hospital.

No Provision Made

With such a volume of semi-skilled and unskilled labor seasonally and casually employed, there was bound to be a backing up of serious proportions at any time of a drop in the barometer. This had been proved again and again in the pre-war and post-war period in England.

In 1920, Lord Shaw's Commission, reporting on the situation there, stated that "the methods of casual engagement have continued and with them have continued demoralization and under-employment," and recommended that "the system of casualization must, if possible, be torn up by the roots."

Yet in England, as well as in Canada, this "laissez passer" attitude continued without consistent and adequate provision for the regularization of employment of these groups, and without any adequate planning for their provision when idle, or for reciprocal agreement among the different units of government to prevent or control the volume and related problems arising from such a situation. Yet the numbers concerned involved nearly a third of the gainfully occupied population, and the situation broke, as break it must, in 1931.

Breaking Up the Problem

From that time to today we have tried various emergency measures to deal with a serious situation with it actually upon us, when we should have planned constructively for it long since. The organization of employment and the reduction of unemployment to the minimum through decasualization measures is the proper approach, but not one that can be effectively applied in times like these. The best one can do is to attempt to deal with the immediate phases of the situation. The relief camps were one answer which was abandoned. Now, the problem is being analyzed and being broken down into its various phases.

There are the old and broken men and the wanderers; there are the trained and semi-trained youths and young men; there are the unskilled laborers in vigorous middle life. Different methods and facilities will have to be provided for the constructive solution of these different phases of a common problem. Highly technical considerations of reciprocal residence and maintenance agreements enter into the picture as well. The analysis of the problem and the setting up of our immediate measures to deal with it must be constructively developed from the point of view of a problem of long standing that will not disappear even with moderate recovery in employment.

Vancouver Attracts Many New Industries

For the first 6 months of 1936 new industries commencing operations in Vancouver are employing 600 workers with a payroll for the same period of $275,000.

From January, 1936, to date 46 firms have expanded, with an estimated expenditure on plant and equipment in excess of $465,000.

Brazilian Business Presents Case Against Nationalism

British, United States and Canadian companies doing business in Brazil are concerned at the somewhat nationalistic policies being advocated in Congress even though the country is also endeavoring energetically to develop trade agreements with various countries.

The latest sample is the proposed plan for a reinsurance bank to control the entire insurance field. That is not objected to but it is also proposed that all risks in Brazil shall be underwritten by the new bank. It is also proposed that all insurance companies be nationalized and that at least two thirds of the capital must be Brazilian, two thirds of the directors Brazilians and Brazilians be given the preference in stock sales by foreign stockholders. There are nearly 40 foreign insurance companies in Brazil.

Proposals are made from time to time for Brazil to take over the main public utilities as well. Brazilian Traction, with the help of thousands of Canadian, British, Belgian, United States and French investors, has poured millions of dollars into Brazil to create the present power enterprises and to develop various utilities.

Adverse exchange conditions have prevented those investors getting more than one cash dividend in several years. They have continued to hope that returning prosperity would enable Brazilian to pay out dividends earned again but are somewhat discouraged by the growth until recently of a party that looks upon all foreign capitalists as exploiters rather than as aiders in development.

Gained in Part

"Brazilian Business," published by the American Chamber of Commerce of Sao Paulo, takes up the cudgels against the narrow nationalistic programmes for development, stating that North American prosperity has been built up in the past by welcoming capital and by a large increase of freedom for trade and commerce and investment.

It says in part:

"Brazilian progress would indeed have been slow had she in the beginning shut her doors to the best that Europe had to offer, had she refused to allow the English locomotive, the French culture, the German skill to come within her borders. How far would she have advanced if other nations had refused to permit her coffee to come into their markets? Had not her doctors, her engineers, her financiers and her statesmen studied in the best schools of Europe, had they not taken advantage of and absorbed the best that others had to offer, she would still be right where she was when Pedro Alves Cabral sighted her marvellous coast.

"Why then should a nation any more than an individual, object to taking advantage of outside wealth and experience and organization?" it concludes. "Foolish indeed is the nation that shuts itself off from the rest of the world. Only Thibet would do that."

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340 Canadian "Co-op" Groups Have Membership of 312,519

Farmer co-operative and "business organizations" in Canada in 1934 marketed produce worth $125 millions of which $81 millions or two-thirds was grain or seed according to a special survey made recently by W. F. Chown of the Agricultural Economic Branch, Department of Agriculture. In all, there were 340 co-operatives engaged in marketing, a total membership of 312,519. Total assets were $102 millions and value of plant $38.3 millions. Paid up share capital was placed at $7.7 millions and general liabilities at $54.5 millions leaving as a reserve and surplus $39.8 millions.

Due to the predominance of grain a provincial grouping of these organizations shows Saskatchewan with nearly 40% of total sales or $46 millions. Alberta ranked next with $21 millions while Ontario was credited with $11.5 millions. Over $16 millions of total trade was classed as "interprovincial."

These associations had 2,604 branches which combined to make a total of 3,301 places of business engaged in the marketing of farm products and the purchase of supplies for farmers. Of the 697 associations, 340 were engaged in marketing, 333 in purchasing and 24 in miscellaneous activities. Shareholders and members financially interested numbered 341,020 and patrons were estimated at 378,730.

Summary figures of farmers' business organizations in Canada in 1934 analyzed according to commodities are shown below:

Commodity Grouping

	No. of associations	No. of share-holders	Total assets $	Total business including other revenues $
Marketing—				
Dairy products	115	35,034	4,179,513	8,780,830
Fruit and vegetables	104	9,307	3,860,115	7,809,574
Grain and seed	30	170,081	88,298,067	82,803,629
Livestock	53	35,314	962,445	7,749,593
Poultry	24	32,851	444,139	2,098,945
Honey	2	1,818	148,846	238,267
Maple sugar	1	1,962	305,132	293,322
Tobacco	5	842	443,117	1,285,086
Wool	1	2,104	287,317	693,686
Miscellaneous	5	23,186	3,077,935	12,962,142
Total	340	312,519	102,026,626	124,715,064
Purchasing	333	27,328	3,102,749	5,663,152
Miscellaneous	24	1,173	54,190	6,675
Total for Canada	697	341,020	105,183,565	130,384,891

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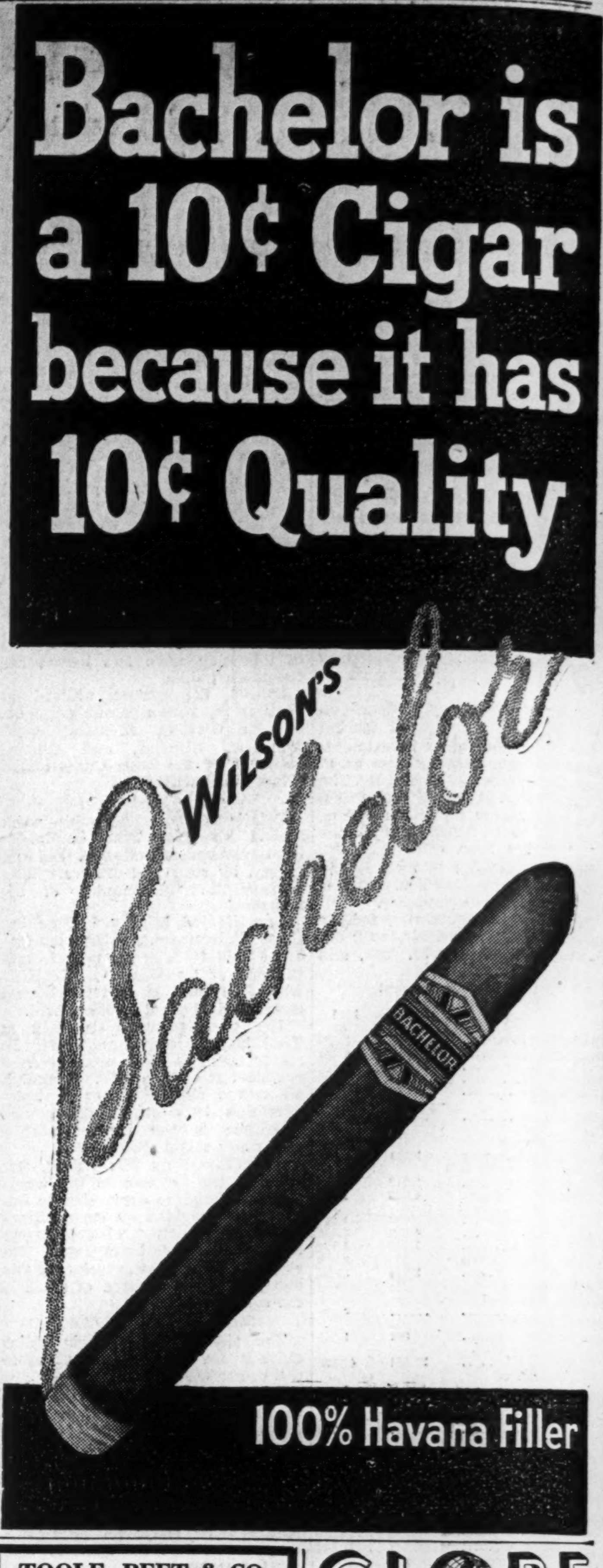

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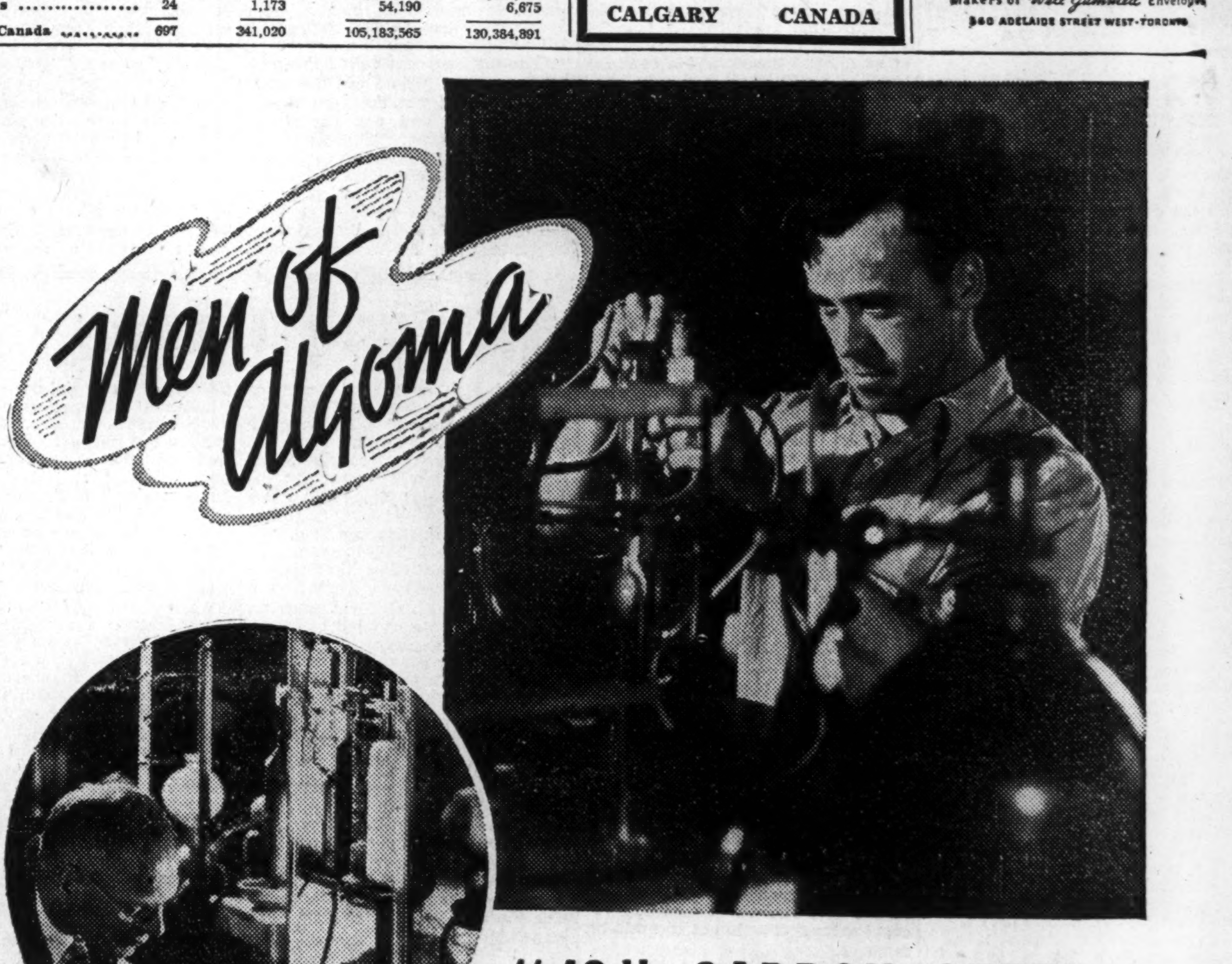

"DICK" HAYCOCK *runs a Coke Oven Gas Test to check the B.T.U. value of the gas. The gas is used in the Open Hearth Furnaces. Its quantity and B.T.U. value determine the temperature of the steel bath. This must be sustained to produce a high quality steel.*

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If there's anything wrong with the content of the steel the men in the laboratory will find it. Twenty-four hours a day they are in touch with the Open Hearth Furnaces by teletype, checking the quality of the steel at each stage of its production. Above Jim Roger tests the carbon content of a "heat" of steel before it is released from the Open Hearths.

The exact science of the laboratory matches the skill of the "Men of Algoma" to control the quality of Algoma carbon and alloy steels. These steels are produced and rolled to specification for use in many products and utilities. Automobiles, buildings, bridges, railroad rails and equipment, docks, household utensils, machinery, mining equipment, are a few of these used by millions of Canadians every day.

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